

Business Association Practices

Part II of II ***Lobbying Techniques***

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*This manual was created with support from the BIZPRO Project
and funded by United States Agency for International Development (USAID).*

*The findings, interpretations and conclusions in this manual
are entirely those of the authors and do not necessarily represent
the opinions or views of either BIZPRO or USAID.*

October 19, 2001

Dear Readers,

This manual is designed to assist you in establishing, operating, expanding, and improving your membership-based business association. The manual comprises two parts – one on management and a second on advocacy. Even still, the topics covered in this manual are not exhaustive – if we tried to cover everything that could be said about associations in Ukraine it would take far too long!! Instead we focused on those topics that were covered in our training seminars and which the participants said were most helpful, most innovative, and most unique compared to the existing literature on associations.

We have tried, where possible, to include the comments and examples from existing associations in Ukraine. Not only do we hope that this will encourage you to try new approaches, but will also provide you with local resources you can call upon to share ideas and examples.

However, this manual – both parts – should not be viewed as the sum total of BIZPRO's assistance to Ukrainian associations. As already mentioned, the manual resulted from a series of management & advocacy seminars conducted for association executives. Those seminars will continue in the coming years; and the manual should be viewed as the foundation upon which the seminars will continue to build. In addition, during its first year of operations BIZPRO has been working intensively with a group of 15 associations on their management and operations, with another 24 associations to establish a phone-based hotline service for entrepreneurs in each oblast, and with eight groups of associations ("coalitions") to address policy constraints at the local and national level. We expect that all of this work will continue in coming years as a part of the United States Agency for International Development program in Ukraine.

We hope that, as you read this manual, you are inspired to think about and manage your association in new ways, taking examples from the manual and adapting them to the operations of your organization. We also hope that, if you are not already involved, you decide to become more active in BIZPRO activities and programs.

And, of course, we look forward to your feedback regarding the helpfulness and usefulness of manual.

With best wishes for stronger and more active business associations in Ukraine,



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AUTHORS' PREFACE

Small and medium-sized enterprises (SMEs) play both social and economic roles in society. No improvement in the development of SMEs is possible unless businesses express a strong and honest commitment to positively and constructively affect government policy. Entrepreneurs can influence democratic development, economic growth, and social justice with their actions. This influence is exercised most often through the establishment of independent, voluntary associations of businesses, i.e. business associations, which fight on the front-line against problems hampering SMEs. Such associations have been granted the authority to protect the interests of their members and represent them in the political process. This is how business associations differ from other similar organizations: their activity is focused on the protection of rights and implementation of social functions, rather than just business activity.

Business associations are particularly effective and quick in achieving results in cases where each member of the business association is active and engaged rather than passive. Every member's involvement guarantees the success of all, and this idea is often the major principle governing successful business associations. The area of rights protection and advocacy requires the highest level of skill. Business associations have proven their capabilities in taking part in government policy-making and in independent development of proposals; they have put pressure on public authorities and achieved good results. However, only shared experience can become an impetus for further development.

Professionalism does not come easily or on its own. Therefore, this publication is dedicated to business associations who are involved in or planning to engage in protecting their members' rights and campaigning for their interests, as well as for all other organizations and individuals interested in lobbying activity.

Sharing experience, disseminating the particulars of successful campaigns, understanding the technology of short- and long-term planning of the campaign, the specifics of setting up successful coalitions – it would be impossible to exhaustively cover each of these topics in this manual. Even though no one can guarantee a certain result in the process of lobbying, both professionalism and experience add to success. Preconditions for small business development through advocacy include approaching officials with confidence, identifying advanced tools, and studying the lessons of successful campaigns regarding business associations.

The authors would like to thank everyone who contributed to the preparation of this manual. First of all, they would like to thank the Ukrainian business associations that are actively involved in protecting and advocating the interests of their members. Specifically, we are grateful to the 120 Ukrainian business associations who participated in the April and June 2001 BIZPRO seminars ("Management of Business Associations, Protection of Rights and Lobbying Members' Interests") who, with their questions and comments, prompted the authors to use this particular format for the manual. They helped the authors to focus on the issues bearing primary importance for organizations that have been engaged in lobbying or plan to undertake it as their core activity in Ukraine.

Lobbying Techniques

The authors would like to particularly express their deep gratitude to the following contributors to this manual for their invaluable contributions:

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We would also like to thank the U.S. Agency for International Development in Kiev for their financial and methodical support of this publication.

Finally, we would like to thank the management and staff of BIZPRO, without whose participation this manual would not have been possible.

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INTRODUCTION

In each country, most of the legislative acts passed by the national legislature concern the regulation of economic relations. Specifically, a great number of them regulate entrepreneurial activity. Businesspeople attempt to influence the law-making process so that legal regulations support and stimulate the development of their businesses as well as the economic development of the country.

To achieve this and other goals, businesspeople form business associations whose main objective is to represent and protect their common interests. The services most business associations offer are similar – providing necessary information, training services, advice, organizing meetings to exchange views, assisting members in conflict situations, and representing members' interests to the authorities at all levels. The goals and services of business associations depend mostly on their members' needs and on external conditions. However, more and more business associations are beginning to realize that in order to effectively develop a favorable economic environment, associations need to influence the law-making process.

Not every business association desires to or has the ability to effectively lobby on behalf of their members. Members of a business association have to operate in the market for quite some time before they realize that not every problem can be resolved through personal contacts and individual effort. Eventually, they begin to recognize the need to join efforts to become a real partner for the government on both local and national levels. Sometimes this understanding comes when members of a business association suddenly learn about the passage of a new legislative act that, after taking effect, will significantly hamper the progress of business or even make it come to an end.

Business associations that are aware of the threat (of not being involved in the legislative process) are beginning to address the problem professionally and create mechanisms within their organization that can function effectively at any time. This includes, above all, the appointment of persons from among the group whose immediate responsibilities are to protect the rights and represent the interests of the members of their organization, using a certain set of tools. As a result, the appointed persons become representatives that work on behalf of their organizations, speaking out for their interests during the development of regulatory acts and other activities in order to influence the attitude of decision-makers.

There is quite a long list of tools that business associations and their representatives may use to exert influence upon the decision-makers. This extensive list can be divided into two parts, tools that involve direct influence and those that rely on indirect influence. **Direct** influence is exerted with the help of the following tools:

- Meetings with lawmakers, discussion of certain issues during personal conversations;
- Collecting information, conducting research, and providing such information to lawmakers;
- Attending and contributing to hearings in committees and commissions of legislative bodies and government bodies (both nationally and locally); representing, at such hearings, certain positions taken by the business association on issues under discussion;

It is necessary to recognize the need to join efforts to become a real partner for the government on both local and national levels.

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- Immediate assistance in the preparation of bills, providing expert advice;
- Inviting lawmakers to roundtable discussions and other public events attended by business people; and
- Presenting written briefs containing a certain point of view.

Of course, the list is not exhaustive and a creative approach will help readers find many more tools of direct influence on the lawmakers, while keeping within moral and ethic principles.

But direct influence sometimes does not produce the required effect and proves insufficient without involving the general public to resolve truly crucial issues. That is why tools of **indirect** influence are also utilized. These tools may include:

- Creating coalitions – pooling of the efforts and resources of several organizations (not only business associations) to achieve certain changes in legislation that are desirable for all members of the coalition;
- Using mass media to inform the public (or a targeted group) about issues;
- Conducting polls and surveys intended to find out people's attitude to an issue, making the results known through the mass media;
- Involving people – voters – in certain activities, for instance, persuading them to write letters to lawmakers on issues;
- Rallies or demonstrations, for instance, picketing to urge the lawmakers to pass, not to pass or revoke a certain legislative act; and
- Civil disobedience, which is meant to demonstrate mass non-compliance with certain legislative acts for whose revocation the business associations are campaigning.

Of course, involving the general public in influencing decision-making requires a judicious approach. The use of such tools as rallies, demonstrations or civil disobedience can be justified only as a last resort, whereas other tools are consistently effective.

Actions, carried out by business associations or their representatives, that are aimed at improving the current legal framework are known as **lobbying**. These actions, just as any other, require relevant knowledge and skills.

Thus, the goal of this manual is to help Ukrainian business associations to improve their knowledge and skills in the area of lobbying, in order to more effectively influence decisions that can stimulate business growth and which, in turn, will contribute to the country's economic development.

CHAPTER I. What is Lobbying?

There are many definitions of lobbying. This is accounted for by the fact that it is a multi-faceted activity that does not lend itself to simple definition. Using a simple interpretation, lobbying can be described as a tool used in the lawmaking process. This tool is used to influence political decisions and the contents of legislative acts through participation in their development, amendment or rejection.

So, lobbying can be defined as *influencing the decision-making process by convincing government officials, at different levels, of the need to make certain legal, administrative or even political changes.*

Lobbying activities include the following three features:

1. The involvement of an interest group – a group of economic or social entities (for example, businesspeople, business associations, associations, labor unions, etc.) whose period of existence is sufficient to ensure effective activity;
2. A sense of common interest among the members of such group; and
3. The implementation of a certain strategy as well as the use of relevant tools to protect the group's interests.

At the same time, lobbying provides for an intermediary as a link of communication between interest groups and authorities. An intermediary like this can be a business association, which represents the group's interests, or an outsider to whom this function is entrusted. A person that, on his behalf, individually and for his own account, tries to influence government authorities, is not considered a lobbyist.

1. The Benefits of Lobbying

In today's democratic society, the state and public play an important and complex role, creating the legal base for developing economic relations. Individuals and businesses have to understand that, on their own, they are typically unable to influence the law-making process. As a result, they form groups to jointly advance their interests. The goals that different groups set for themselves, though, can differ or even conflict. A legislative act that makes one group's life easier can complicate things for other groups of citizens. For instance, national and sub-national budgets are always tight. In order to replenish them, a government will sometimes increase the tax or administrative pressure on businesses, which can have the effect of putting the enterprise out of business.

Decision-makers at different levels, when making decisions about the legal regulation of economic activities or resource distribution, should have complete information as to the costs and benefits of the various options they are considering.

They can be assisted in this process by active groups of citizens or business entities. The formation of interest groups allows energy and resources to be focused on specific issues, to jointly identify a problem, and to advise the authorities. The collective action of interest groups can have the following positive results:

- Enhanced sense of responsibility in society and the participation of citizens in influencing the government. Interest groups and lobbyists, by representing businesses, can influence the decision making process nationally and locally;
- Interest groups and lobbyists facilitate the involvement of representatives of different political parties, and involve people who may not normally have strong political affiliations;

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- Resolution of specific problems of the business environment – interest groups address concrete issues that may produce a substantial economic or social effect; and
- Drawing the attention of politicians to the affairs of citizens (voters), the activities of interest groups and lobbyists can force decision-makers to deal with problems that they would otherwise avoid due or be unwillingness to address.

However, those who are opposed to providing lobbyists and interest groups with access to the law-making process and public influence on economic policies, are concerned that: (1) a small but influential interest group may impose a policy that contradicts the interests of those who are in the majority; and/or (2) the uncontrolled activity of lobbyists and interest groups may make government representatives directly dependant upon them.

The predominance of positive or negative aspects of lobbying in a particular country depends not only on the certain methods of interest groups, but also on the nature of the legal institutions and the traditions in which they operate.

It is necessary, however, to clearly point to the process of lobbying and democracy being complementary. Democracy is a sociopolitical institute that enables all citizens to bring certain influence to bear on decision-making. Modern democratic principles provide for the fundamental precept of equal rights for all voters – each voter has one vote.

By its nature, lobbying is rather a specific institute: professional, expensive, and time consuming. Only interest groups that can afford to, hire professional lobbyists who can completely concentrate on advocating a cause by devoting their time and energy to it.

Nevertheless, the two institutes – democracy and lobbying – remain closely interlinked. On the one hand, “sound” lobbying can function only in a strong democracy. Democracy provides the strong safeguards of openness and the transparency of government, while open lobbying substantiates the dissociation of itself from regular corruption.

In addition, lobbying greatly increases the benefit that society can enjoy as a result of having a democratic system. In the process of lobbying, interest groups mobilize additional private funds to draft the desired regulatory acts necessary for the effective operation of a designated industry. This also allows decision-makers to develop arguments based on solid data that may not have been prepared so thoroughly in a different situation. Arguments prepared by interest groups can be formulated so professionally and be so solid that it may compel government officials to upgrade their professionalism, so as to be on a par with their opponents. The activities of lobbyists are often complemented by the public’s pressure that, under different circumstances, might be indifferent to a given issue.

This has a double benefit: lawmaking becomes more open to the public and, this introduces an element of confronting different arguments (proponents and opponents of a new legislative act) with the result of the “clash” being observed by a third person – a legislator listening to the dispute and forming his or her position. In this manner, the thesis is confirmed about democracy and lobbying being complementary: each institute performs separate functions but both complement each other.

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2. Lobbying the Interests of SMEs

Authorities often put forth the following explanations for the difficulty of taking into account the opinion of SMEs in law and decision-making:

“Argument of heterogeneity”. The sheer number of SMEs and the fact that they have a great diversity of interests means that they seldom present similar positions. If SMEs themselves are not in a position develop consensus, the government can hardly be expected to cope with this.

“Argument of special treatment”. SMEs always complain and demand special treatment for themselves. At the same time, their conduct often leads to noncompliance with laws.

“Argument of weakness”. Confronted with larger, better-organized and more important groups, SMEs (whose representation is small, inadequately organized and are unable to resort to such strong methods of protest as, for instance, labor unions) are too weak to become a serious partner for the government.

The question, however, is whether a legal base that will contribute to economic growth and, at the same time, minimize the threats that arise, can be developed without the participation of this group? There is only one answer to this: Absolutely Not!

The participation of SMEs in lawmaking and the development of economic regulations is necessary because this will make it possible to:

1. Reach an understanding between the public and private sector as to common goals and priorities;
2. Develop legal decisions that will optimally help achieving the goals agreed; and
3. Create a legal base conducive to small business development and strengthen its competitiveness.

The lobbyists acting on behalf of SMEs in Ukraine are faced with a challenging task. Influencing the passage of a law is more difficult for a lobbyist than for a minister or a parliamentary deputy who have a clearly defined field of influence. In order to develop such a field of influence, Ukrainian lobbyists have to begin by developing institutional mechanisms to interact with the decision-makers. For example, they may establish formalized advisory bodies at all governmental institutions important for the economy, as well as introduce legal rules according to which authorities must consult SMEs (or their representatives) in developing new laws and economic policies. Without these advances, the voice of a lobbyist may not reach the decision-maker or may fail to win support in the beginning. Success depends upon consistency, the quality of arguments, and the understanding of government officials on the significant role played by SMEs.

3. Lobbying in the European Community

Lobbying in European countries, which differs greatly from lobbying in America, is increasingly accepted and recognized as an important component of democracy in these countries. To a large degree, the method of lobbying employed depends on cultural traditions and historical implantation from one or another country.

In the late 1970's, lobbying at the European community level was in its infancy, and it involved a small group of people connected by friendly ties. Now that the financial effect of lawmaking and decisions of the EU is estimated in billions of dollars, the number of EU lobbyists has reached

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up to ten thousand professionals. Included in this number are independent consultants, representatives of commercial and industrial communities, dozens civic organizations, labor unions, law firms and so on. There is hardly a sector that is not represented in Brussels, where there is even a mayonnaise and condiment committee.

The spread of lobbying throughout Europe is explained not only by the ever-growing recognition of lobbying as a normal element of the democratic process, but also by the deepening of European integration, i.e. member country transfer of their competence in favor of EU institutions.

In the beginning, a common policy was introduced by the agricultural sector and over time more sectors were covered by EU policies (including transport, industry, social affairs and so on). This means that EU institutions make the most important decisions in a given sector while member countries implement them.

The event that substantially extended the competence of the European Community was the signing and ratification of the Unified European Act in 1987. This act was the legal base for the implementation of the “common market program”, which introduced free movement of goods, people, services and capital throughout the Community. Now decisions on such vital issues as tax rates, the right to reside and work in any member country, or food quality standards are made not by member governments, but by the relevant institutions at the EU level.

During this time of transition, the Strasbourg-based European Parliament became the main focus of lobbyist influence. It aroused interest after the adoption of the Unified European Act and the European Union Agreement (also known as Maastricht treaty) in 1992, when it was granted a restricted veto and the right to make amendments. Lobbyists sought to involve in their “mission” numerous groups acting without regard for party division at the forum of European Parliament.

However, the complicated lawmaking process used by the EU and other strategic considerations lead to EU lobbying beyond pressure on lower level offices. Those who want to influence the lawmaking process in the EU must gain access, above all, to the European Commission, which plays the role of governing the EU. In addition, lobbyists seek the ear of the Council of Ministers, which makes decisions in the Community that are implemented by national governments. The attempts of lobbyists in Brussels (the seat of European Commission) and Strasbourg (the seat of European Parliament) are often next generation lobbying, which follow previous political pressure applied in Berlin, Paris or Madrid. The attempts of lobbying groups are often successful as Commissioners, who perform the function of EU ministers and are appointed by governments of separate countries, are not immune to national political pressure.

The adoption and ratification of the Maastricht and of the Amsterdam (1998) agreements caused intensified lobbying at the EU level. As the EU launched an economic and monetary union, new policies and areas of cooperation, political alliance, and profound changes in decision-making made the interested coalitions change their strategies and modus operandi.

In the lawmaking process, special skills are the most important tool of a lobbyist. Parliamentarians and officials of other institutions, when developing and adopting legislative acts in areas that require expert knowledge, have to use reports and findings prepared by professionals.

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Of course, they can use the services of ad hoc committees set up their institutions, but sometimes this is not enough. It is at this point that materials prepared by lobbyist organizations can fill in the information gap.

Also, representatives of Community institutions, in order to mitigate “the scarcity of democracy” in the EU, began talks with societies and associations representing a considerable part of the public of European countries. To this end, the European Commission and Parliament, along side interest groups, have arranged various consultations, advisory committees, round tables, conferences and so on. This provides lobbyists with access to the most detailed and relevant information about what is happening within the institutions. In addition, it creates a forum where the ideas, proposals and interests of the public are heard.

Lobbying in Brussels differs from lobbying in Washington by the absence of a distinct line between what is public and what is secret. In Brussels, it is often unclear if a bill being prepared by the Commission will be presented for the private sector’s consideration. In this case, lobbyists play an important role in apprising interest groups of draft documents at the earliest stage of the lawmaking process.

The decision-making processes are more complex and require the lobbyist to simultaneously monitor the work of several institutions as well as the relevant bodies and interest groups at the national level. This necessitates an almost perfect knowledge of both the lawmaking processes and how separate institutions interact with this process.

The formation of coalitions, which rely on interest groups with diverse professional and ideological spheres, from different countries or regions, is also an effective tool of lobbyists. The goals and activity of coalitions, as an element of a lobbying campaign at the EU level, are clear. By forming a broad coalition, it is possible to increase managerial and financial resources, facilitate greater access to representatives of EU institutions, and strengthen the reasoning in favor of a particular position. Members of the Commission or Parliament readily support links to the community of interests with other European groups. The Commission, whose task is to take steps to “intensify integration”, is sensitive to the degree to which Community members’ political decisions are consistent with European standards.

4. Lobbying in the United States of America

Lobbying plays an important role in the American political system. Thousands of interest groups are constantly attempting to influence legislators. They seek to introduce rules beneficial for their organization or protect themselves from those that may harm their interests. Almost all major corporations, associations, and labor unions hire lobbyists to advance their own interests. An estimated 40 thousand lobbyists are registered with the U.S. Congress.

The multi-level nature of state and political structures results in interest groups having to act simultaneously in many directions and use different methods and tools. To many groups, the main focus of their lobbying is Congress, whose members are not bound by party discipline and can easily cooperate with representatives of interest groups. The right of each congressperson to sponsor a bill affords much scope for a lobbyist’s cooperation with them. In addition to individual lobbying, Congressional committees are also a target for interest groups and their representatives. A special opportunity to present the view of lobbyists is offered by committee hearings, during the course of which interested parties may

Lobbying in European countries is recognized as an important component of democracy in these countries.

Lobbying in the U.S. differs sufficiently from lobbying in the European community.

present and justify their position. The committees pass decisions about the future of bills, and lobbyists track the subsequent phases of the legislative process.

Lobbyists are also interested in the appointment and election of persons who can influence the lawmaking process and adoption of different programs beneficial for their clients. Their actions are often directed to the so-called political action committees (PACs) that give assistance to candidates they support. They assist candidates in political battles, they raise funds for various campaigns, and so on. Importantly, they also offer the support and resources of their organizations to help candidates in election campaigns.

The growth of the number of interest groups and the increased use of inappropriate methods, compels Congress to supervise lobbying. In the law on lobbying, Congress sets forth the limits of and scope for lobbying by nonprofit groups and groups enjoying tax concessions, and controls the limits and types of lobbying due to federal loans, subsidies or contracts with military or civilian partners. Congressional funds cannot be used for lobbying. However, it's very hard to draw a line between information exchange and lobbying. It occasionally happens that a congressperson, due to their contacts with lobbyists, sometimes commits violations that become the subject of investigation. The primary means of control over lobbyists, which is also defined in the law on lobbying, is the need for clear accounting of lobbying activity through regular reporting.

5. Trends in Lobbying

It should be noted that in the European Community, the growth in the number of lobbyists has been accompanied by changes in the sectors and interests they represent. In the first half of the 1980's, over 40% of groups lobbying at the EU level represented the interests of industrial employers whereas 33% represented the interests of the agricultural sector. And 10 years later, a mere 30% of lobbyist organizations represented the interests of industrial and agricultural sector. Accounting for the balance – 70% – are lobbyists representing labor unions, educational systems, consumer rights, the environment, law firms, international corporations as well as some countries, regions, cities and so on.

The methods and types of lobbying are undergoing changes not only on the EU level. In countries whose economies are seeking to increase their competitiveness, the role of administrative methods at the national level is gradually decreasing. Ever more decisions are made at the local level. The activities of interest groups are changing accordingly. Now interests are linked to local governments that are exerting increasingly stronger influence on decision-making and are controlling more resources for local infrastructure development.

At the same time, the increase of the number of institutions that disperse EU funds and whose activities cover multiple regions, make lobbyists aim for cooperation with them. New types of coalitions are being set up which bring together representatives of a regional government and leaders of local business and other institutions that are jointly pressing for additional funds for their region that are at the disposal of international agencies or institutions operating at a level higher than the regional.

It should be noted that effective lobbying requires sizeable financial resources and managerial efforts, and that professional lobbyists capable of getting their bearings in the maze of regulations and information flow, are dealing with this on an increasingly larger scale.

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CHAPTER II. Lobbying in Ukraine

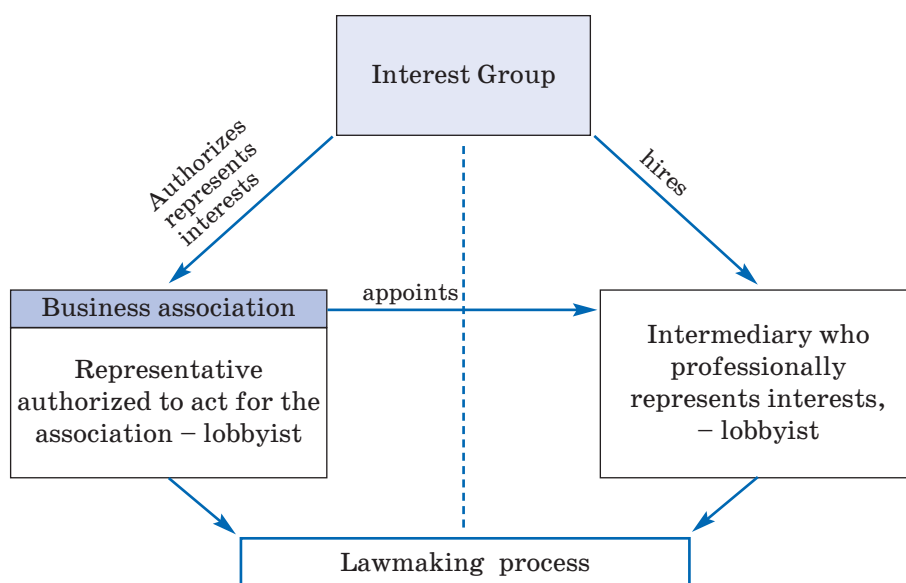
As mentioned earlier, the lobbying process provides for the presence of an interest group. In order to successfully advance its interests, a group like this must remain stable. It has to carry out consistent work to achieve a desired result. Theoretically an interest group can hire an intermediary to represent its interests. But there is little infrastructure in Ukraine to provide this type of service. Even in industrialized countries where such representation of interests in the lawmaking process is fairly standard, this service is expensive and can be unaffordable for small and medium businesses.

For this reason, most SME's work through business associations, which function as interest groups for the sector. This is accounted for the fact that the common interests in SMEs include a large number of entities and their promotion requires consistent and painstaking efforts that can be best made within the framework of a stable business association.

A business association will often identify a person or persons to represent the interests of SMEs in the lawmaking process. Such an individual may be a business association leader, an employee or a member of the business association.

The relationships among participants in the lobbying process can be represented as follows:

Figure 1



Among the participants of the lobbying process, the primary force is the business association that defines the strategy for each lobbying campaign, enlists public support for this campaign, joins coalitions, and delegates its representatives to advisory bodies.

Among these participants, the primary force is the business association that defines the strategy for each lobbying campaign, enlists public support for this campaign, joins coalitions, and delegates its representatives to advisory bodies.

There are many organizations in Ukraine that are registered as business associations: groups of businesspeople, councils, funds, centers, and institutes. All of these are classified as non-governmental organizations that participate in forming the legal framework for SMEs.

1. Representative Organizations in Ukraine

The Law of Ukraine “On Citizens’ Associations” authorizes public organizations to represent and protect the interests of their members, businesspeople or managers of enterprises. Associations, established under the Law of Ukraine “On Enterprises”, represent and protect non-property interests, business enterprises. The members of such organizations unite on the basis of participation in certain legal relationships (like associations of employers that have an independent status and are established under the Law of Ukraine “On the Associations of Employers”). According to the principle of association, there also arise common interests.

For instance, interest groups often emerge in geographically-based associations for the purpose of influencing local authorities to solve problems within their jurisdiction. For instance, lobbying for the reduction of local tax rates falls within the jurisdiction of local councils (By the Decree of the Cabinet of Ministers of Ukraine “On Local Taxes”). In addition, lobbying for fixed and single tax rate reduction also comes within local councils’ sphere of influence. However, there have recently been examples of associations trying to influence the solution of more complex issues, such as regulation of communal property leasing procedures and allotment of land plots.

For sector-based associations, common interest among SMEs most often lies in the passage, amendment or repealing of regulatory acts concerning the relevant sector. For instance, the All-Ukrainian Truck Haulage Association is actively involved in the formulation of a new law for the development and regulation of truck haulage. The association is lobbying for a streamlined and transparent system for regulating the sector, including at the regional level.

Associations with an overly general focus (e.g., small business affiliation) often fall victim to internal friction and fragmentation. The interests of different groups within a single organization are often in conflict. Such conflicts should be settled in a reasonable way so as to preserve the organization’s integrity.

In Ukraine, labor unions are a separate type of representative organization, some of which traditionally bring together businesspeople and employees of the business sector. The most common operate at the markets where the smallest businesses are located and, for them, the formation of labor unions is the most acceptable form of representation. In most cases, though, the unions work in the interests of their members (businesspeople) and therefore what has been said above about business associations fully applies to them.

There are, however, differences as to the organizational and legal form of associations in Ukraine, and as a result they have different functions with respect to lobbying.

The Law of Ukraine “On Citizens’ Associations” declares the following rights of citizens’ associations:

- *To represent and protect their legitimate interests and the legitimate interests of their members (participants) in government agencies and social organizations;*
- *To obtain, from government bodies and local government bodies, the information necessary for implementing their objectives and tasks; and*
- *To submit proposals to government bodies.*

Associations that are different as to the organizational and legal form, as a result have different functions with respect to lobbying.

CHAPTER II. Lobbying in Ukraine

There is a specific type of representative organization which is registered under the Law of Ukraine “On Citizens Associations”, but whose activities are regulated by the Law of Ukraine – “On Employers’ Organizations”. According to this law, these organizations are social non-profit organizations formed by employers on a voluntary and equitable basis to represent and protect their rights and interests. The said law sets forth the special rights of these organizations:

- *Organizations of employers and their associations may submit to government bodies, the government bodies of the Crimean Autonomous republic and local government bodies proposals on issues related to their statutory activity.*
- *Organizations of employers and their associations may make an expert examination of draft laws and other regulatory and legal acts on issues related to the rights and interests of their members.*

In general, any citizen or any organization in Ukraine may apply to government bodies or local government bodies in accordance with:

- The Law of Ukraine “On Petitions from Citizens” which lays down the rules for processing petitions and the responsibilities of governmental agencies and local governments with respect to the timeframe within which replies to duly filed petitions must be provided (normally within a month).
- The Law of Ukraine “On Information” which determines the legal status of information, including about the activity of government bodies, and the term “request for information” is given, specifically:

Request for written or verbal information is interpreted by this Law as an application for provision of written or verbal information about the activity of legislative, executive or judicial bodies of Ukraine or their officials on certain issues.

Citizens of Ukraine, government bodies, organizations and associations of citizens (hereafter: applicants) file a request with a relevant legislative, executive or judicial body, (its officials).

The request shall indicate the surname, name and patronymic of an applicant, the document, the written or verbal information requested and the address at which he/she wants to receive a reply.

Legislative, executive or judicial bodies of Ukraine and their officials shall provide information related to their activities, in writing, verbally, by telephone or through public appearances of their officials.

As is seen, the legislation of Ukraine protects the rights of all citizens and legal entities with respect to receiving information from authorities, and therefore these rights should be exercised in lobbying campaigns.

2. Other NGOs Involved in SME Advocacy

In addition to membership-based business associations, think tanks are also involved in the development of the legal framework for SMEs. Typically think tanks deal with analytical and research work in the area of SME development. Such organizations include, for example, the International Center for Policy Studies, the Institute of Reforms, the Institute of Competitive Society, the Ukrainian Independent Center of Policy Studies and many others. Business centers and business incubators often engage in serious analytical work as well. Organizations of this type

The legislation of Ukraine protects the rights of all citizens and legal entities with respect to receiving information from authorities, and therefore these rights should be exercised in lobbying campaigns.

have different organizational and legal forms, including commercial structures or civic organizations. However, all these organizations can be classified as one type due to their community of objectives and functions. More often than not, they act as lobbyists not individually, but in partnership with representative organizations. These organizations can effectively enhance the influence of representative organizations by providing them with legally sound arguments, analytical material, and a forecast of the impact of legislation on the SME environment. It should be kept in mind, though, that while developing certain documents, they also sometimes serve as a catalyst for the formation of interest groups.

For instance, representatives of the Kherson Business Center “Know-How” suggested participating in the work plan of the National Small Business Development Program, which regards streamlining the entry of new businesses into the market. Business associations supported the idea although prospective businesspeople were not yet members. In this case, all realized that they could potentially contribute to the development of not only the business environment but the representative organizations as well. So, the business center’s initiative triggered the formation of an interest group.

3. Coalitions

In the process of lobbying, it is important that a full set of abilities be brought into play. As a rule, this set becomes available due to the joint efforts of many organizations. This is why coalitions, designed to facilitate joint efforts, are involved in lobbying. Coalitions provide a mechanism for cooperation among separate interest groups.

The first step of a coalition is the search for common interests. It is on the basis of such common interests that a lobbying campaign can be organized in the future.

But this mechanism of cooperation also requires accurately targeted objects of influence. Among such objects can be local councils, the Verkhovna Rada of Ukraine or governmental agencies.

The Coordinating and Expert Center of Associations of Businesspeople of Ukraine (CEC) is an example of a coalition using its influence upon the Verkhovna Rada of Ukraine. This organization was founded as a coalition of Ukraine’s business associations late in 1998, and now includes 41 organizations. The coalition is structured in a way that it does not devour member organizations, but strengthens them and sets the standards for the conduct of lobbying-related events (round tables, focus groups, public hearings etc.). To strengthen this free environment, all organizations reserve the right to act on their own. Therefore, when such organizations join efforts, they do so because they know they will benefit from it. The priorities of the coalition are determined based on joint decisions. By pooling their efforts, representative business associations in Ukraine took an important step forward.

Chapter III. An Example of an Effective Lobbying Campaign in Ukraine

On June 1, 2000 the Verkhovna Rada of Ukraine passed the law “On Amendments to the Law of Ukraine ‘On the Use of Electronic Cash Registers and Cash Books in Settlement with Consumers in the Trade, Public Catering and Services Sector’”. Unfortunately, this Law not only failed to simplify the settlement procedure in the said sector but also was instrumental in increasing the number of penalties. This in turn effectively negated the positive rules of the previous version of the Law regarding penalty sanction differentiation.

This Law dealt a heavy blow to the streamlined methods of taxation. The Law dramatically impaired the position of over a million small and micro businesses, thereby threatening their existence. Also, the Law contained vague rules and provisions that did not agree with one another.

The story of this Law is complex and long, but provides a good example of SME lobbying in Ukraine. Its draft appeared as far back as 1997-98, and for a time was not considered by the Verkhovna Rada. The draft only set the rules for differentiation of penalty amounts, but contained no rules regarding their increase. It also did not extend the effect of the law beyond the effect of the legislation then in force nor did it introduce additional accountability. A new version was put to a vote on June 1, 2000 that substantially hindered conditions of conducting business activities and overly tightened state regulation. The draft was under consideration at the close of the day and was quickly voted into law. The results of roll-call vote showed that all deputies, except one, had voted in favor of the law. The deputies were either sure that the law did not need any further comments or voted simply “mechanically” by pressing the button. Following the voting, during talks with many deputies, they admitted that they were practically unaware of the damaging effect of the rules of the Law on small-sized business.

The CEC analytical team (a coalition mentioned in the previous chapter, further referred to as “the coalition”), while reviewing the passed Law, noticed the problem that had arisen and sent notification to all coalition members. Almost all members responded to this by proposing to stage a campaign for making amendments to the Law, without delay.

1. Objectives of the Campaign

1. Make amendments to the Law as to the following:
 - Exempt the businesspeople who use simplified tax methods, from the use of electronic cash registers (ECR);
 - Streamline and make transparent the procedure for monitoring compliance with the Law; and
 - Bring the penalty system in conformity with the gravity of violation, i.e. prevent inadequately severe punishment for minor violations.
2. Demonstrate the strength and unity of small businesses and their ability to protect their interests.

2. Strategic Solutions

The coalition member organizations all agreed that the first strategic goal was to have this Law vetoed by the President of Ukraine. Should a veto not be used, pressure would be put on Parliament for the necessary

*Lobbying campaign
background*

amendments to be made to the Law as soon as possible. In lobbying, it was decided to apply comprehensive methods through both holding negotiations with key deputies and organizing mass actions, including picketing the building of Parliament, rallies in the regions and, as a last resort, actions of civil disobedience. It was imperative that the amendments be made, as there was no time for the routine parliamentary procedure.

It was decided above all to formulate arguments “against” the language of the enacted Law and draft amendments to the Law to achieve the goal set.

3. Interest Groups Involved in the Campaign

Interest groups that were in support of making amendments to the enacted Law included:

- Small businesspeople, who had chosen simplified tax methods (single or fixed tax) and to whom the use of ECR’s was unwarrantably prescribed thereby factually eliminating the simplified accounting; and
- Businesses in the trade, public catering and services sector that were using ECR’s, but for whom the Law had increased penalties and complicated the procedure for verifying compliance with the Law as to the use of ECR’s.

Interest groups that supported the enacted Law, lobbied for it and sought to keep it unchanged included:

- ECR manufacturers and ECR service centers. They were interested in increasing the customer base; and
- Tax authorities. They were interested in tightening control and increasing its coverage – performance of inspections of over a million persons that previously had not been liable for such inspections. This also encouraged corruption.

The parties in this conflict acted as lobbyists, but in opposite directions.

The interests of small businesspeople were represented by a number of business associations that were waging the campaign jointly with the coalition. Acting on the side of ECR manufacturers and service centers was the Association of ECR Manufacturers and Service Centers. The tax authorities acted on their own, but in close cooperation with the ECR Association.

4. The Stages of the Lobbying Campaign

Stage 1 – struggle for a veto

In order to seek a veto, it was decided to exert direct influence on the President of Ukraine, through letters and petitions from labor unions and business associations. In addition, indirect influence was applied to the Cabinet of Ministers, who give their recommendations to the President with respect to the use of a veto or signing of enacted laws (*see Chapter 5 for examples*).

Arrangements were made for a flow of letters to be sent to the President and the Prime Minister, regarding the harm and inadequacy of the provisions of the Law. Arguments for a presidential veto were also put forth at a meeting of the Business Associations Council under the State Committee for Economic Development of the Cabinet of Ministers of Ukraine on June 22, 2000. The arguments of the businesses were most convincing, and the first deputy prime minister forwarded to the President a letter recommending imposing a veto on the said Law.

Meanwhile, players in the opposite camp did not sit idle. Tax authorities persuaded the President to sign the Law by claiming that it would not be opposed by most businesspeople, and as to the submissions, they were simply inspired by a small group not enjoying widespread support. The ECR Manufacturers Association even referred to some industrialized countries as an example and gave statistics on the number of ECR's per one thousand of population (this indicator is much higher in industrialized countries than in Ukraine). At the same time, they certainly failed to mention that the number of business entities in Ukraine was one-tenth as big per thousand of population, just as they failed to give examples of eastern countries, where the vigorous growth of small-sized business was not accompanied by tightening state regulation. The arguments of that interest group prevailed and the President signed the law.

Stage 2 – changing the date by which the Law went into effect

Business associations and unions of businesspeople made a decision to stage a rally to show the parliamentary deputies what reaction the law had caused in the business community and what harm it could do after becoming effective. At the same time, all participants in the campaign realized that to revise the law and make the relevant amendments would take time. Therefore, the goal of this stage of the campaign was to put the Law on hold so as to have enough time for its revision.

On July 6, 2000, picket lines appeared outside the Verkhovna Rada. Participating in the picketing were some 3 thousand businesspeople from all regions of Ukraine. Participants demanded that amendments be made to the Law and that it would not be put into effect until January 1, 2001. Such postponement would make it possible to make some amendments to the Law and update its provisions. Participants argued that the current language of the Law allowed tax authorities to interpret it liberally and indiscriminately impose fines on all businesspeople irrespective of the gravity of committed violations.

The working group of representatives of demonstrators had a meeting with the deputy speaker of parliament. The deputy speaker said he was in favor of postponing the Law coming into effect and supported the initiative to put this issue to a vote in parliament.

Prime Minister then met with the working group. In the course of the meeting, representatives of businesspeople succeeded in convincing the Prime Minister of the need to postpone the putting of the Law into force, pointing to the many differences both within provisions of the Law and with provisions of other legislative acts related to business activities.

On July 10, 2000, the President of Ukraine had a meeting with representatives of parliamentary majority. Speaking on the issue of amendments to the Law was first deputy prime minister. According to the first deputy prime minister, participants in the meeting agreed about the need to postpone implementing the law until October 1, 2000.

However, that agreement was not confirmed procedurally and the opposite camp took advantage of the situation. As a result, the issue of amendments to the Law was not included in the agenda on the day of voting (Thursday, July 13, 2000) and was included later with the note "if time permitting" which amounted to not including it at all. Businesspeople began preparations for another demonstration on July 13 again to press for postponement of putting the Law into effect.

Following the first picketing, representatives of the opposite interest group organized a series of actions, through the mass media, in support of the law passed on June 1. Their main argument was the following: the law was intended to protect consumers. Unfortunately, this argument has several inconsistencies. Before this law was passed, there already existed a law in Ukraine for “the Protection of the Rights of Consumers”, which says that, at the request of a consumer, s/he should be given a document confirming each purchase s/he has made. This rule is currently in force, but has nothing to do with fiscal accounting, and is in fact intended to protect the rights of consumers. And the proposed language of the law lends a receipt an unmistakable fiscal quality. Tax authorities claimed that the new law would not have a negative effect on the business environment of the markets because the businesspeople would only have to fill out and give a buyer a pre-punched numbered receipt from a cashbook. In saying this, they failed to mention that the maintenance of a cashbook entails numerous administrative procedures related to daily and monthly accounting and reporting which, incidentally, would also be of a fiscal nature. And this type of accounting would include the record keeping of not only sold goods but available ones as well. Under such circumstances, a businessperson working at an open-air market would also have to hire a goods manager and a qualified accountant in order not to pay stiff fines whose amounts are set by the same law.

On July 13, the businesspeople conducted a new large-scale demonstration and again demanded postponing law and updating its provisions. Participating in the picketing this time were around five thousand people. Deputies now knew the business people’s demands better. Copies of a newsletter, “Civic Arguments” #7, prepared by the coalition’s analytical team and containing the well-founded demands of businesspeople, were circulated among the deputies. These arguments met with the understanding of parliamentarians. During the course of demonstration, many deputies came out to express their support of the demonstrators. These deputies were also active in the session hall: one of the deputies proposed to consider this issue a top priority and his proposal was supported. When the issue was put to a vote, a member of Verkhovna Rada Committee on Banking and Finance, addressing the audience, making use of the arguments from the newsletter “Civic Arguments”. In the end, the postponement was voted for by over 300 deputies (which is a constitutional majority).

This stage of the campaign was a success, but only the intermediary result had been achieved. Lying ahead was the challenging job of lobbyists and experts. Amendments to the law which would be acceptable to parliament and help attain the campaign objectives, had yet to be elaborated.

Stage 3 – lobbying and elaboration of amendments to the Law

In September a focus group was set up in the coalition, which discussed and formulated proposed changes to the law in line with the campaign objectives. Work with deputies was carried out and rapport was established with deputy Y, who had already submitted proposals as to the law. Coalition members supported the proposals, and the deputy was provided with a summary of the discussions by the focus group. Deputy Y supported the coalition proposals and a joint plan for the campaign for amending and passing the Law was drawn up. The plan included the following:

- In early November, deputy Y submits his draft law to the Verkhovna Rada Committee for Financial and Banking Affairs.
- Results of the voting by Committee members are distributed among all coalition members.

Chapter III . An Example of an Effective Lobbying Campaign

- A campaign of letters is launched with business associations directly applying to parliamentary deputies to urge them to backup this draft.
- Before the first reading of this draft law, deputy Y circulates a special issue of “Civic Arguments” among the deputies in the session hall.
- Prior to the first reading, groups opposing this draft law become known and those within these groups who can be made to change their mind are identified.
- Business associations aggressively work with the opponents: letters from electorate, meetings with deputies.
- If opponents are in the factions of the majority, the Prime Minister and the first deputy prime minister are approached and asked to submit the issue of support of this draft law to the Majority Council. To this end, within two weeks, these two officials are kept posted about the matter through position reports.
- Objective: passage of the draft law as a whole in late November – early December.

The Campaign Plan was distributed among coalition members.

The work was then carried out according to the agreed plan. Following mass submissions of business associations to the Verkhovna Rada (incidentally, the regional associations were very active), the draft law was submitted to the Committee for Financial and Banking Affairs. On November 15, the Committee considered the draft law and supported most of it. However, the most important issue in the draft law remained outstanding, specifically Art. 9, which listed those business entities that were to be exempted from the use of ECR's, accounting book and the receipt book. Failure to resolve this issue might have lead to further escalation of tension among the largest and most vulnerable community of stallholders in the open-air markets. That the situation was very serious was evident from mass media reports and from discussions with specific businesspeople – January was round the corner, but the solution was not there.

These arguments were set forth in letters addressed to parliamentary deputies and meant for the deputies who were on the Committee for Financial and Banking Affairs. Also, work with the Cabinet of Ministers on this matter was stepped up: position reports were forwarded to the first deputy prime minister to explain what problems could arise due to the delay in considering the draft law by the Verkhovna Rada. This issue was also considered by the Business Associations Council on November 24. Finally, the first deputy prime minister signed on November 28 a letter to Chairman of the Verkhovna Rada, in which the Cabinet of Ministers asked the Verkhovna Rada to consider the draft law on a top priority basis.

On the same day, the Committee for Financial and Banking Affairs held its second meeting, which was attended by representatives of business associations, the coalition members. After a long discussion, the Committee penned a provision to the draft law, which met with approval by the deputies and formally supported. As a result, on December 1, the draft provisions of Art. 9 were revised three times and approved by all participants.

Developments then took their course according to the campaign plan:

- Finalization of the draft amendments to the Law by the Committee for Financial and Banking Affairs met on 12.12.2000;
- Working meetings with business associations provided the constituency with the latest information about developments in the Verkhovna Rada;

This is how the successful six-month joint campaign for protecting the interests of small business was run.

- Participation by business associations in the December 13 round table, organized by the parliamentary faction of the People's Democratic Party. Discussed were amendments to the Law of Ukraine "On the Use of Electronic Cash Registers and Cash Books in Settlement with Consumers in the Trade, Public Catering and Services Sector";
- Meetings with representatives of associations of business people (stallholders in the markets) to discuss further steps to influence the Verkhovna Rada;
- Publication of the next issue of "Civic Arguments" containing arguments as to the need for passage of proposed amendments to the Law agreed with by the relevant parliamentary committee;
- Circulation of this issue of "Civil Arguments" among the deputies 12.19.2000 during the discussion of this problem in the Verkhovna Rada;
- Press conference and appeal to the businesspeople regarding the forms of organized influence on the Verkhovna Rada (at that time the conduct of a token strike at workplaces was recognized to be the best means of influence). So, businesspeople did not picket the Verkhovna Rada; and
- 12.21.2000 – ballot at the Verkhovna Rada. Amendments to the Law adopted by an overwhelming majority of votes (367 places).

This is how the successful six-month joint campaign for protecting the interests of small business was run.

Lessons of the campaign

- The campaign would have been more successful if, already at the first stage, the interest groups lobbying this law had been identified and their arguments sorted out.
- The campaign lasted too long because, after the successful second stage, the campaigners were less active for a certain period which meant remobilizing them at a later date for further actions.

Indirect consequences of the campaign

- The businesspeople associations showed such self-discipline and ability to protect their interests that it won them respect and considerably improved the image of businesspeople and their associations. This proved that, when united, small-sized business is a force to be reckoned with.
- For a certain period, parliamentary deputies became so engrossed with the problems of small business that, rather quickly and with no substantial opposition, adopted both the amendments to the above-mentioned Law and the new Law of Ukraine "On the National Program for Small Business Promotion in Ukraine".

CHAPTER IV. Understanding the Problem

Achieving perfection in the art of lobbying, as well as mastering negotiating skills, requires consistent effort. There are, however, three universal generally recognized requirements a professional lobbyist should meet:

- A thorough knowledge of the subject of a lobbying campaign;
- Knowledge of the decision-making processes and, particularly, lawmaking procedures; and
- Skills in effectively convincing people and presenting arguments.

The legal framework, within which the lobbyists work, is undergoing constant changes in Ukraine. This is also true of the issues that are the subjects of lobbying campaigns. In addition, the mechanisms for running such campaigns are also being improved. In spite of these drastic changes, the three universal requirements a lobbyist should follow will always remain relevant.

In this chapter, we are going to discuss the first of the above-mentioned requirements and clarify what it means to be well informed about an issue that is to become the subject of a lobbying campaign. The other two requirements will be addressed in Chapters V and VI.

1. Problem Identification

Representatives of organizations should know their own history, structure, and be aware of member opinions. Although these facts and relationships begin the lobbyists toward successful completion of a task, they still must constantly consult members and know their opinion while acting as representatives. One of the most serious mistakes lobbyists make is to confuse their own views with those of the organization members. It is the latter that should guide the lobbyist. The role of a lobbyist in discussions with politicians is to act on behalf of the members, not advance and present his/her own views even if s/he believes they are the most beneficial to the organization.

The first thing a lobbyist should do is to discover which subjects are most important to the members of the organization. Then, s/he identifies ways by which they can meet their objective. Lobbyists rarely identify direct issues and solutions with ease. This especially holds true when one takes into account that the lobbyist must aid the members of the organization in realizing which issues are the most critical and whether or not their objective is attainable.

The task of identifying issues is easier for business associations that are established and organized. The problems of businesspeople that need lobbying are determined and arranged according to their importance based on established procedure, which is normally repeated once or twice a year. However, new organizations, which struggle with their desire and ability to represent their members and who have not identified subjects for lobbying, could use one of the methods described below, if they feel they need to conduct such activities in the interests of their members.

Conducting a poll among organization members

One of the best ways to obtain information is to conduct a poll among the members of an organization. This will help understand which issues are important to members and which are of a secondary nature. For a questionnaire to be a useful source of information, the questions need to

One of the most serious mistakes lobbyists make is to confuse their own views with those of the organization members. It is the latter that should guide the lobbyist.

be formed as open ended. This will enable the members not only give a list of subjects but also encourage them to express their own opinions and make proposals. One could begin with identifying general problems and then more specific ones.

Questionnaires should be reviewed most thoroughly. The issues identified through questionnaires should be grouped by the degree of their importance to the members. Reviews and findings should be communicated to members of the association and to be agreed upon. To make sure that the organization is addressing issues that are relevant to members, polls should be conducted on a regular basis – at least once or twice a year.

The first thing is to discover which subjects are most important to the members of the organization, and to identify ways by which they can meet their objective.

Example 1

A letter and questionnaire to members of the organization

Dear Ma'am or Sir:

There is a concern from members of our organization that many current and upcoming regulatory and legal acts in the economic area, are increasingly complicating the functioning and growth of our enterprises.

In view of the above, the Board of (the organization) has resolved to expand the scope of our activity and begin taking an active part in the lawmaking process. Our goal is to work toward a proper legal regulation that would encourage business development and the country's economic progress.

Due to our limited resources, we should focus on those issues which the majority of members regard as priority.

To help in this matter, we are asking you to fill out this small questionnaire.

The results of the poll will be taken into account as the Board processes the list of major issues regarding development, amendment or revocation of regulatory and legal acts on which our organization should act on behalf of the business community in Ukraine.

We are counting on your participation in the poll with a complete and prompt response.

Sincerely,

(...)
Head of the organization

SAMPLE QUESTIONNAIRE

1. Which areas of the regulation of business activities pose the largest obstacle to your business? Please, indicate three which you believe are the most important:
a) Tax system;
b) The start of business activity;
c) Supervision and inspections;
d) Certification and licensing of business activity;
e) Local taxes and duties
...
(Actual questionnaire may list as many as 10 areas)
2. What other areas, which have not been listed here, pose, to your mind, serious obstacles to business development?
a).....
b).....
c).....
3. Could you name some provisions of regulatory documents in the areas specified by you, that have to be changed?
a).....
b).....
c).....

(Explanation that is advisable to provide in filling out an actual questionnaire: give a brief formulation of the problem, for instance, in the tax system: a) tax rates; b) controls and so on).

Annual general meetings

Another way to identify burning issues is their clarification at a general meeting of an organization. The general meeting is a convenient tool to identify, by way of voting, which particular problems need lobbying. It is important to limit the number of issues as to not overwhelm the specific lobbying groups operating within the framework of the organization. The general meeting is also a good occasion to invite outside speakers. For instance, the organization could invite parliamentary deputies or local government officials with whom they maintain relationships. They can provide information about the plans of relevant bodies, draft legislative acts, and official orders that are being lobbied. On the basis of this, a general meeting can determine top priority issues to be lobbied by the organization.

Role played by an organization's lobbyist

People selected by an organization to represent its interests play an important role. They are normally called lobbyists. Ideally, the lobbyist is involved in a new issue right from the beginning, i.e. at a time when lobbying subjects and issues are identified. The role of a lobbyist lies in realistically evaluating issues, resources, and the preparedness of the organization to lobby for that issue. Although the lobbyist is actively involved in the process, s/he has to take a passive position, not putting forward his/her own subjects, but just commenting on those proposals that come from members of the organization.

A professional lobbyist should meet three universal requirements:

- A thorough knowledge of the subject of a lobbying campaign;
- Knowledge of the decision-making processes and, particularly, lawmaking procedures; and
- Skills in effectively convincing people and presenting arguments.

Lobbying Techniques

Also, a lobbyist should have information about the political and economic situation, the priorities and objectives of the government, regional specifics, and other interest groups. A lobbyist should remember that, as an expert in a given area, s/he will always be responsible for fulfilling tasks set by members of the organization.

2. Studying the Problem

The study of a designated problem is a vital step in a successful lobbying strategy. Valid arguments, based on the overall analysis of a given problem and its implications, make public officials take notice of different views and recognize information provided by the lobbyist. Reasonable and skillful justification of the position helps the organization become the partners of decision-makers thereby affording a better opportunity to influence the amendment process.

The study and a detailed analysis of the facts enables the organization: first, to formulate their view of the problem; second, find valid arguments in its support; third, plan their campaign and, fourth, specify the end result.

The study and analysis should result in the collection and presentation of the following information:

Detailed analysis of the current situation in the sector

Such an analysis should show what it is that has caused the current situation, and also provide information as to:

- Impact of a regulatory act on the business activities of members of the organization or members of the coalition (for example: impact on cost effectiveness, costs, employment, competitiveness of companies in the domestic and international market, level of arrears, etc.);
- Impact of a decision on the environment of business entities (for example, suppliers, customers, related companies, the local public etc.);

and information as to the impact on:

- Labor market and the general rate of employment;
- Rate of consumption, process for goods and services to which this particular regulation applies, the standard of living of consumers; and
- Tax proceeds in the current period and in the future (particularly those managed by public authorities) and so on.

Alternative proposals

They should be supported with a cost-benefit analysis and a description of who is to gain and who is to lose as a result of introduction of such rules.

Optimal solutions (from the standpoint of experts)

They should provide a detailed evaluation of the impact on all aforesaid factors at point “A”, based on the problem diagnosis.

Results of the study and analysis should make it possible to:

- Identify a problem and its socioeconomic effect;
- Present a set of possible solutions; and
- Develop convincing arguments in support of the optimal solution proposed by lobbyists.

Valid arguments, based on the overall analysis of a given problem and its implications, make public officials take notice of different views and recognize information provided by the lobbyist.

CHAPTER IV. Understanding the Problem

Analytical studies can be entrusted to experts of organizations or competent institutions, universities or even governmental agencies. Based on the studies done, the lobbyists should have detailed information about the status of the given sector and the impact of the decision that threatens the activities of businesspeople, who are members of the organization. It is also important to explore the impact of the regulatory act on public welfare, including on the increase of tax proceeds, thereby becoming a solution to social problems.

Generally, it is a matter of two types of study: one as conducted by business associations, and two as conducted independently by other institutions. Independent study has the advantage of typically costing less, and being completed more quickly. It can also be supported by the prestige of the person or persons that made it. On the other hand, independent study may demand considerable efforts to tailor it to your requirements. It may also have already received publicity and become surrounded with interpretations within a different contest and, when presented for a second time, may not arouse necessary interest. Additionally, the details used in its implementation are not known, and opponents could exploit these unknowns.

On the other hand, studies conducted by a business association are done using the resources of business associations. Again, there are advantages and disadvantages. Advantages include a more detailed investigation of a problem and the possibility of obtaining data that serves a direct purpose. The disadvantages are that internally conducted studies generally cost more, take longer, and risk being accused of manipulating results. In spite of all this, studies conducted by the organization prove that it is a partner in legislature who acts efficiently, identifies problems and takes action.

The organizational special study and its subsequent use by an organizational lobbyist are two different matters entirely.

When addressing a problem, the organization should not be guided only by its own interests. Representatives of the interests of members, should study a given problem from all angles, taking into account the view, for instance, of government agencies. They should then answer the question of why others are proposing this particular solution to the problem. If, for instance, they are out to change a certain law and the authorities are not responsive to arguments, the organization needs to find out the reason. What arguments are being put forth by the other side? Failure to know such factors, creates an impression of unprofessionalism and naivete.

On the other hand, knowing the aforesaid factors, the organization can offer the lawmakers a different approach, which implies only the partial changes that they seek. At the same time, lawmakers will have a better understanding thanks to new knowledge of the subject. Also, in investigating all aspects of the case the organization can, for instance, state that are objectives are unrealistic and that they need first concentrate on other issues. They also can find representatives of other interested parties concerned with this particular issue and this will allow cooperation with them in lobbying. It is no secret that cooperation with other organizations and businesspeople can add to an organization's chances of success.

When addressing a problem, the organization should not be guided by its own interests only.

Example 2

Summary of an association's own study

Key issue: Difficulty in setting up business entities in the city

The analysis was made by the Mykolayiv coalition which included: the Mykolayiv Entrepreneurs' Union, the Mykolayiv Oblast Council of Trade Unions' Businesspeople, and the Guild of Trade Organizers and Consumer Services.

The objective of the coalition's activity was to streamline procedures for founding business entities, allotment of land and obtaining permission for outdoor advertisements.

According to the analysis of a survey conducted among 300 managers or owners of small-sized businesses in Mykolaiv (operating in such sectors as manufacturing, trade, services, transport and communication, and city officials) the following conclusions were made:

1. On average (in Mykolaiiv), a businessperson spends an hour a day (268 working days a year) to obtain all necessary approvals and permits from public services. The average cost of all received permits amounts to Hr 2,686.

Among the procedures, the most complex are those for allotment of pieces of land (an average of 121 days in the city), construction or renovation of buildings (an average of 41 days) and obtaining of permission for the start of operation of a company from the local office of the State Labor Safety Administration (an average of 41 days).

The businessperson not only spends time, but much money as well. For each permit from a governmental structure, a businessperson is charged, according to established rates, an average of Hr 232 to 481. At the same time, in order to speed up the process of obtaining a permit – something not regulated by the current legislation, s/he pays additional expenses (a total of Hr 750 to 1,580).

Thus, businesspeople have to devote 6 months to the process of launching a business with the help of an agent and one year and more without such help. In doing so, they pay some Hr 3,000 in official fees and, to speed up the process, Hr 600 to 2,000 to agents and Hr 750 to 1,580 to government agencies.

2. Analysis of the local regulations governing the procedure for granting permits to start a business in the city of Mykolayiv, and the regulatory and legal base of fire protection, labor safety, traffic police, environmental protection and sanitary authorities shows:

- Almost all local regulations and rules do not set either the timeframe of obtaining permits or the cost limit of services for processing these permits;*
- The current procedures, used by local fire protection and labor safety authorities in Mykolayiv, for granting permits to establish a business are not consistent with effective legislation; and*
- Almost all local regulations, rules or procedures have inadequacies and inconsistencies with respect to effective legislation.*

So all the rules governing the procedure for establishing businesses in the region must be in compliance with the current legislation. This includes containing a full list of documents required for obtaining permits, services for their processing, the rates of fees for such services and the term of permit processing.

To this end, the coalition worked toward streamlining the procedures for launching businesses with due regard for the need to remove inconsistencies, accounting for both the current legislation and proposals related to streamlining the procedures for establishing businesses.

3. Analysis of a Problem and its Presentation

Lobbyists, who are starting a campaign, cannot limit themselves only to knowledge of the problem. They are also required to know the political and economic situation that has developed. Therefore, a lobbyist should always find answers to the following questions:

1. Who has developed the draft law and why such a draft appeared?

The answer to this question is important for designing a strategy for a lobbying campaign. The developer can be a government body whose goals may be purely pragmatic: to improve the situation in the sector it is responsible for. At the same time, the developers could be a group of parliamentary deputies or members of a local government body representing a certain political movement. In this case, the draft law is part of the obligations assumed in the election campaign by the political party they are representing. So, depending on the developers of the draft law and their motivation, an appropriate scenario for the lobbying campaign should be devised.

When, for instance, public authorities seek to sort out a specific problem, it is often up to lobbyists to explain to the officials what impact on a certain group that particular solution may have if implemented. This might cause changes or a total dismissal of the draft depending on the circumstances.

If, however, the organization is dealing with a group that has certain ideological motives, it is likely that their campaign will also have to resort to lobbying politicians.

2. Is there a clear understanding of why the law is needed?

Public authorities, when trying to resolve a problem, sometimes apply inappropriate tools. This can mean that the goal the authorities are out to attain through a new law, could contradict the interests of the organization. What can threaten a group is the tool for solving the given problem being proposed in the draft document. Obviously, if the lobbyist clarifies this situation, this will make his/her job easier: s/he will only have to propose an alternative solution to achieve the goal that meets both the organization's interests as well as the authorities'.

3. What other interest groups are supporting this draft?

Often, a government body, which formally sponsors a given draft law, is not its developer or sponsor. Other interest groups, other lobbyists have persuaded this government body to sponsor this particular bill. It is very important to detect this group (if any) as soon as possible. When the original drafter is known, a strategy for lobbying can be created.

For instance, a large-scale media campaign could be designed to inform the public which group is the true sponsor of the bill. This publicity may compel the authorities to give up their plan for getting the new law through. Another variant is if the public considers the law an unpopular move that will benefit only a narrow group.

4. Is information about the experience of other groups that have dealt with the same type of regulation available?

It is not worth spending effort forcing an open door. So, it is sensible to obtain information on whether some other organization (even abroad) has ever dealt with a similar problem and, if so, how it addressed it. Of interest to the organization would also be information on the implications

A lobbyist should always find answers to the following questions:

1. Who has developed the draft law and why such a draft appeared?

2. Is there a clear understanding of why the law is needed?

3. What other interest groups are supporting this draft?

4. Is information about the experience of other groups that have dealt with the same type of regulation available?

5. Are we prepared not only to criticize and strongly react, but also come up with alternative solutions?

of passing similar decisions. This information may prove to have valid arguments that could be used in our lobbying campaign.

5. Are we prepared not only to criticize and strongly react, but also come up with alternative solutions?

When authorities propose a draft law, this often causes strong disapproval by a certain group, which believe they will be negatively affected by passage of that bill. The group immediately tries to communicate their criticism to the public and authorities through the media. Such actions sometimes help achieve a desired result. But, more often than not, they become counterproductive. Indiscriminate attacks on authorities force them to take a tougher position as they feel hurt and must hold their ground or lose face in the eyes of the public.

This is why a lobbying campaign should not rely on criticism based on emotions (even though justifiable), but should have proposals regarding options which, when appropriate, also take into account the interests of the opposite side.

Only an exhaustive answer to all of the aforesaid questions will provide the groundwork for actions in a lobbying campaign.

People selected for lobbying by business associations often say that “facts speak for themselves”. In other words, decision-makers should react to the appearance of information concerning a certain problem. If this is the case, then why are many decisions made with an obvious disregard for objective data or even research results?

The point is that some data are inaccessible for decision-makers or presented improperly or subjectively. The task of a lobbyist is to work on such data and make them presentable for decision-makers.

A lobbyist is required to scrutinize and process analytical material prepared by experts. As a rule, analytical information is written in the language of experts, which is often incomprehensible to outsiders including most decision-makers. Material presented to them should justify the organization’s position and therefore its contents and structure should serve this purpose.

More often than not, the organization hopes to present its results of one and the same analysis to different recipients. They, as a rule, are different groups of decision-makers – various political factions, political parties, public officials, journalists, and people of different interested organizations. Depending on whom they are addressing, it is necessary to underline the relevant sections of the analytical paper and supply them with comments targeting particular groups.

Example 3

Analysis of a problem, using the example from Chapter III

Chapter III gives an example of an effective lobbying campaign. At the beginning of the campaign, organizations interested in settling that problem, had analyzed it. The crux of the matter was the passage of the Law of Ukraine “On Amendments to the Law of Ukraine ‘On the Use of Electronic Cash Registers and Cash Books in Settlement with Consumers in the Trade, Public Catering and Services Sector’” would have a destructive effect on small-sized business. Using the same set of questions as discussed above, let us see how they were answered in this situation.

1. Who is the author of this Law and why did it appear?

The real authors of this Law were representatives of the State Tax Administration of Ukraine. They practically revised the previous version of a draft law, which for several years had been in the Verkhovna Rada’s Committee for Financial and Banking Affairs. The draft law was formally discussed in the said Committee and therefore the deputies did not bother to carefully analyze the implications of enacting this Law.

Indeed, the new Law had to be passed because the previous language of the Law on the use of ECR’s did not satisfy anyone. But, while businesspeople felt that the new Law would enable the tax authorities to increase pressure on them, the tax authorities held that the penalty sanctions for some violations under the old Law were not sufficient and that the mandatory use of ECR’s had to be expanded.

2. What was the goal of this Law?

The declared goal of the new language of the Law was improving the cash settlement procedure in the area of retail trade and consumer services, which would reduce the illegal circulation of cash. Fighting a shadow economy is doubtless an important thing. Nevertheless, during the campaign against the new language of the Law, the organizations supporting the small business entities argued that the application of mandatory use of ECR’s (and therefore fiscal accounting) to small business entities, that were taxed according to a simplified procedure, would remove the motivation to use that procedure. And this, in turn, would lead to an increase of illegal companies and expansion of the shadow economy. In other words, the new language of the Law would produce results opposed to those declared.

3. Who else is supporting the passage of this Law?

The increase of the mandatory use of ECR’s was supported by ECR manufacturers and their service centers. They wanted a larger customer base. According to estimates, putting the new Law into force would necessitate the procurement and installation by small businesspeople of two million electronic cash registers as well as their permanent maintenance. It was a matter of financial interest, which was an obvious motivation to prepare and pass the new Law. Therefore, the organizations supporting small business considered this fact in their campaign and highlighted that interest to prevent it from being disguised as national interests.

4. Is there any experience of similar regulation that other organizations dealt with?

A very similar situation was in Ukraine in 1997. The mandatory use of ECR's was also introduced legislatively at the time. Businesspeople working in markets as stallholders, were in a very difficult position. First, they lacked the money to buy and maintain ECRs, and second, they were heavily penalized for violating the ECR laws. At the same time, tax officers were empowered to impose penalties at their own discretion. All that resulted was the rise in social tensions in the markets. Spontaneous protest actions were staged by the traders, which then developed into a broad-based movement. The first demand put forth by that movement was to cancel the use of ECR's and the second one to introduce a simplified tax system (a fixed tax). The driving force of that struggle was the labor unions of small businesses. A Coordinating Council of Businesspeople – individuals conducting their business in the markets in Ukraine – was founded. Members of the Council proved that the introduction of a fixed tax had increased budget revenues from small businesses by three times and reduced businesses' administrative and unofficial costs which previously encouraged corruption among tax officials.

This is why, organizations supporting small business referred in 2000 to the 1997-98 events and argued that the introduction of ECR's now would eliminate the motivation to use a simplified tax system which, in turn, would give rise to the problems that were sorted out in 1997-98.

5. Is the organization prepared to come up with an alternative solution?

The coalition held a meeting of the working group with representatives of small businesses of different types – market stallholders, storekeepers, consumer services. Proposals were developed as to amendments to specific clauses of the new Law, which would be consistent with the goal of the campaign. These amendments then became the subject of lobbying.

This systemic analysis helped design a successful campaign by taking into account the interests of different groups, settling differences, and developing convincing arguments.

CHAPTER V. How to Influence Decision Making in Ukraine

As noted in Chapter IV, there are three essential requirements for effective lobbying: thorough knowledge of the subject area; familiarity with the decision-making process; and skills for effectively presenting an argument. This chapter will examine the second requirement: familiarity with Ukraine's decision-making and lawmaking processes.

1. Decision-making in the Verkhovna Rada

The process of decision-making in the Ukrainian parliament, or the Verkhovna Rada, can be best described in the form of a figure showing the consideration and passage of laws (*Figure 2*).

Influencing the Verkhovna Rada is the most realistic thing for the general public due to the very nature of legislature, which is formed on the basis of elections. Parliamentary deputies, whose powers to enact laws are delegated by the people, must heed submissions from representatives of their electorate.

However, the efficiency of influence and the tools used to exert influence differ during the stages of the Verkhovna Rada's work. For instance, practice has shown that, during the four years of their deputyship, parliamentarians tend to listen to the voice of voters only in the last year before elections. This is why it is during the pre-election period that influence on the Parliament is most effective. A description of such tools of influence is provided in this manual, but they can be briefly characterized as appeals to a parliamentarian at meetings with voters, letters to parliamentarians, collective petitions and so forth. These methods can encourage a deputy to take notice of an organization's initiative or even compel him/her to sponsor a legislative document based on your proposals.

Forms of influence also differ at different stages during the passage of a law. Figure 2 shows that the process of passing a law consists of five major stages:

- Registration of a draft law;
- Passage of the draft law as a whole in the first reading;
- Passage in the second reading;
- Passage as a whole; and
- Signing or vetoing by the President of Ukraine.

Each stage has its own specific characteristics, which can be used to influence the enactment process.

To start lobbying effectively at the earliest stages of preparation of a draft law is advisable when its text is being worked on and before its registration with the Verkhovna Rada. At this point, one can act upon the contents of the draft law by assisting in its writing. To this end, qualified lawyers should be enlisted, who are skilled in preparing regulatory documents. At this stage, one should remember that, under the Constitution of Ukraine, only parliamentary deputies (450 persons), the President of Ukraine, the Cabinet of Ministers of Ukraine and the National Bank of Ukraine may sponsor and register a draft law.

Following the registration of a draft law, as provided by the procedure established by the Verkhovna Rada, it is submitted for preliminary consideration to the Verkhovna Rada committees. At this stage,

To start lobbying effectively at the earliest stages of preparation of a draft law is advisable when its text is being worked on and before its registration with the Verkhovna Rada.

conclusions are made as to the practicability of this draft law. This stage ends after the Verkhovna Rada has made a decision about putting the draft law on the agenda of a daily session in order to work with it.

During the second stage, the draft law is prepared by the relevant Verkhovna Rada Committee for the first reading. At this point, a lobbying campaign goal may include:

- Seek rejection of the draft law by deputies; or
- Seek its passage as a whole and be ready for making amendments to it through parliamentary deputies.

At the next stage, following the passage of the draft law as a whole and prior to the second reading, a Verkhovna Rada Committee reviews the draft law. It receives comments and proposals from deputies, supports working groups, and forms the language of the draft law for consideration in the session hall. At this stage, the following steps are important:

- Formulate amendments (and sometimes a new language) to be made to the draft law through a deputy who will register new proposals on behalf of an organization. This would include a cover letter as provided by Verkhovna Rada rules. In using different lobbying tools in search of this deputy, the organization should remember about the political texture of Parliament. Looking for support from deputies, one should know what factions (political parties) they belong to, whether the issue is politically important to these factions (parties) and whether it is in tune with the program of the relevant political party. One of the ways to win support among the deputies is to exercise influence on factions of deputies, including representatives of different political parties, and turn to faction leaders for support of proposals;
- Find a sociable person in the secretariat of the Committee so as to obtain on-line information as to what proposals and comments are still coming in and the schedule of working group meetings;
- Attend meetings of working groups to obtain authorization from deputies who submitted proposals to the Committee; and
- Exercise timely influence on those deputies who are not responsive to the organization's proposals – through letters, meetings with voters, round tables etc.

It is safe to say that this stage is the most important one in processing the draft law in Parliament.

The fourth stage comes after the draft law has passed the second reading but before its passage as a whole. At this point, substantive changes are not possible and the stage can be a short one. Practice has shown, many draft laws are passed as a whole at the second reading. This stage can take a long time only in respect to controversial or politically important bills, or those large in size.

The fifth stage is, as a rule, used in lobbying campaigns mostly for veto purposes. Under the Constitution, a veto may be imposed by the President of Ukraine, who becomes the influencer at this stage. This happens only when efforts made at the previous stages have not produced the desired result. Also, a matter requiring the use of a veto must be vitally serious. Therefore this stage demands a very professional analysis of the impact of the passed law and of its socioeconomic effect, as well as a legal analysis as to its compliance with the Constitution.

Following the signing of the law by the President, it becomes effective after its publication or from a certain date as detailed in the law proper.

Forms of influence differ at different stages during the passage of a law.

2. Decision-making in the Cabinet of Ministers and Government Bodies

The possibility of influence on the decision making process in the government is accounted for by the implementation of regulatory policies.

Early in 2000, the Presidential Decree “On the Implementation of a Single State Regulatory Policy in Business” sought a single state regulatory policy in the sphere of business as a priority in the activities of government agencies. The policy’s goal was formulated to “prevent infringement on the rights of citizens within business activities.”

The Decree sets forth one of the basic principles of regulatory policy as follows: “open preparation of drafts of regulatory acts that considerably affect the market environment, the rights and interests of businesspeople; and public discussion of such drafts”. Thus, the groundwork was set for developing a new type of dialogue between the government and businesspeople – public discussion of draft regulatory acts.

In the same year, two important regulatory and legal acts were adopted laying down a strict procedural for regulatory policy implementation.

On May 6, 2000, the Cabinet of Ministers passed Decree #767, “On Approval of Recommendations on the Procedure for Substantiation of Draft Regulatory Acts”. It was aimed at establishing a unified approach to the substantiation of draft regulatory acts and the prevention of inefficient and economically impracticable regulations. Central and local government bodies in developing draft regulatory acts applied the procedures set by the decree. It was established that a draft regulatory act, submitted to the President of Ukraine or the Cabinet of Ministers or adopted by central or local government bodies, should be accompanied by a regulatory impact analysis and is subject to approval by the State Committee for Regulatory policy and Entrepreneurship.

The Decree of the Cabinet of Ministers “On Approval of the Procedure for Development of Regulatory Acts” of July 1, 2000, #1182, sets forth the procedure for drafting regulations which are developed by central and local government bodies and the Council of Ministers of the Crimean Autonomous Republic. It, in particular, lays down the rules for processing a regulatory act, getting approvals from the State Committee for Regulatory Policy and Entrepreneurship (SCRPE) and, outlines mechanisms for appeal by developers against this Committee’s denial to approve draft regulatory acts.

These documents clearly define the procedure for adoption of regulatory acts. This procedure includes an important phase, which enables the business community to exercise influence, specifically getting approval from the SCRPE. It is this government agency that provides the necessary substantiation of regulatory acts, namely:

- A regulatory impact analysis with economic estimates;
- Analysis of alternatives; and
- Well-defined evaluation indicators by which the efficiency a regulatory act can be checked in the future.

On the whole, the procedure for preparation of draft regulatory acts of the Cabinet of Ministers, central and local government bodies is shown in Figures 3, 4, 5.

The Presidential Decree “On the Implementation of a Single State Regulatory Policy in Business” set the groundwork for developing a new type of dialogue between the government and businesspeople – public discussion of draft regulatory acts.

Studying the Figures, one can make certain recommendations regarding the possibility of exerting influence on the decision making process by business associations.

A few steps can be identified which can add to the efficiency of lobbying:

1. Familiarization with the plans of ministries and agencies regarding the preparation of regulatory acts. These plans are adopted for a year and are available with all relevant government agencies, including the State Committee for Regulatory Policy and Entrepreneurship.
2. Establishing contacts and cooperation with relevant officials in a ministry or agency that is drafting a regulatory act. To this end, one can approach the head of a relevant agency in writing or verbally (normally, this does not require a personal visit as such dealings could be carried out by post) to find out who is responsible for developing the pertinent act. In doing so one can refer to the Law of Ukraine “On Information”. But even after identifying the official responsible for drafting the document and its immediate developers, this stage might not be successful as this agency can be interested in the passage of certain regulatory acts from a different perspective and, regrettably, not always be prepared to listen to the arguments of businesspeople.
3. Cooperation with the State Committee for Regulatory Policy and Entrepreneurship, which is responsible for business development in Ukraine and therefore listens to the business community’s arguments. Unfortunately, processing the flow of various submissions regarding a regulatory act under consideration, takes much time. This is why the most efficient arguments coming from business associations are those that take into account the interests of the whole community, and not just small groups.
4. In order for a business association’s arguments to be heard, they should be presented in the format in which the relevant bodies prepare regulatory acts, specifically, their own analysis of regulatory act impact; analysis of alternatives to the proposed solution; and an alternative well-defined proposal.

Such arguments should always be considered, and the likelihood of their being taken into account is rather high.

The State Committee for Regulatory Policy and Entrepreneurship also plays a key role in ceasing the operation of regulatory acts adopted by ministries, agencies and local governments. Should a business association discover a regulatory act whose operation infringes on businessperson’s rights, the procedure for dismissing the act begins with a letter addressed to the SCRPE, which provides the following details:

- Name of a regulatory act;
- By whom and when passed;
- What provisions infringe businessperson’s rights;
- What particular rights of businesspeople are infringed;
- The likely implications of its enactment; and
- Alternative solutions.

Based on such a letter, the SCRPE forwards an official decision regarding the elimination of discovered violations to the relevant agency. The latter considers the decision and, within a week, provides objections or amendments to the regulatory act. If the agency fails to submit valid objections and remove the violations, the operation of the act ceases a month after the publication of a notice of the decision about elimination of violations. In this manner, many official orders of ministries and agencies and instructions of local governments have been revoked or amended.

In order to know who should apply to the SCRPE, Annex provides a list of departments, their heads, telephones and addresses.

3. Advisory Boards

There are a number of advisory structures in Ukraine, which the business associations can use as a resource to influence decisions made by public authorities. These also give advice or provide information or assist in the development of draft regulatory and legal acts.

One of such advisory structures functioning for quite some time now, is the Public Board of the State Committee for Regulatory Policy and Entrepreneurship. It was set up in accordance with the SCRPE's Order #31 of 07.28.2000. The Board's rules, structure and schedule of meetings are in place. The Board with a membership of 60 people includes representatives of leading national organizations of businesspeople, officials of the SCRPE's regional offices, scholars, and entrepreneurs.

The purpose of its creation was to draw the public at large into discussion and implementation of state policies in the sphere of business development in Ukraine.

The main goal of the Board is the development of proposals related to the formulation and implementation of a single state policy in the business area. This specifically regards regulatory policies, state policies in licensing business activities, and state registration of enterprises.

A number of issues, which are reviewed at Public Board meetings, concern the implementation of decrees of the President and the Cabinet of Ministers of Ukraine. Under consideration such issues as: social security of businesspeople; introducing of sanitary cards as strict accounting forms; streamlining the fiscal system (accounting and reporting), developing a mechanism for small business financial support; holographic protection of documents and goods, and other issues of business development.

Decisions passed by the Public Board are always taken into account by the SCRPE in developing regulatory and legal acts.

When working on the most important issues of business development, the SCRPE consider the opinion of the broadest circle of businesspeople by holding round tables, workshops and other related events.

SME Influence on Decision Making

The mechanism for influencing the passage of governmental decisions is in place. According to the interim rules of the Cabinet of Ministers of Ukraine, draft regulatory and legislative acts submitted to the CMU for consideration are reviewed in government committees that are the CMU's working bodies. Therefore, the business community now has one more influence tool – a government committee. The dialog with the Government Committee for Economic Development is now engaged. According to the CMU's Decree "On the Establishment of the Council of Business Associations of Ukraine under the Government Committee for Economic Development" #822 of May 18, 2000, a standing advisory structure was set up under the Government Committee for Economic Development. This was done to enlist business associations in the work of updating legislative acts in the business sphere, ensure openness in decision making on economic issues and provide feedback between business entities and government agencies (based on the general public's participation in discussing and reviewing the quality of decisions of government agencies). The Council includes representatives of 33 national and local business associations.

Business associations can use the advisory structures as a resource to influence decisions made by public authorities.

Advisory boards also give advice, provide information or assist in the development of draft regulatory and legal acts.

Lobbying Techniques

Since these advisory bodies were established according to relevant regulatory and legislative acts, it is they that govern the procedure for joining them and their regulations.

SME Influence on Decision Making at the Regional Level

At the regional level, too, there are several mechanisms for business associations' influence on the decision-making process.

In Ukraine there exist opportunities for SME influence on decision making on both national and regional levels.

The institute of authorized persons, responsible for business promotion, has been operating in Ukraine's regions for several years now. Its purpose is establishing cooperation between local governments and business communities. This mechanism is being upgraded and public boards are being set up by authorized persons in the regions to bring together various business associations and businesspeople unions to make the activities more efficient. The standard regulation on the public board was approved by Order #30 of the State Committee for Regulatory Policy and Entrepreneurship on 07. 27.2000.

The public boards have been set up in every region of the country. Discussed at the board meetings are such matters as local governments' compliance with current legislation in the business sphere, cooperation with local authorities, discussion of draft regulatory acts, patenting and taxation of business activities, intensification of efforts for uniting businesspeople, arrangement of events and so on. Based on the results of discussions, specific proposals are forwarded to local authorities and media coverage of the meetings is organized. According to authorized persons, decisions passed by the public boards are, as a rule, taken into account and implemented. This is proof of a positive attitude to their activities on the part of most local governments.

According to the Presidential Decree "On the Measures for Support and Further Promotion of Business Activities" of 07.15.2000, coordinating boards for business promotion were set up under local government bodies. These boards are an effective tool for influencing the preparation and implementation of regulatory acts locally.

To give assistance in establishing and organizing coordinating boards in accordance with CMU's Order #12640/1 of 09.28.2000, the State Committee for Regulatory Policy and Entrepreneurship was developed and officially registered.

The major objectives of the coordinating boards are: to coordinate the activities of local authorities, government bodies and businesspeople social organizations, to implement a single state regulatory policy in the business sphere, to promote business in the region, to develop of proposal regarding updating the regulatory and legal base in the relevant areas, to participate in reviewing development issues within the business environment, to implement regulatory policies in the region, and to discuss recommendations as to the settlement of disputes arising in the business sphere and preparation of relevant recommendations.

Members of business associations are represented on a parity basis on the regional coordinating boards. In addition to these the board is made up of authorized persons for protection of businesspeople's rights, heads of the regional offices of the SCRPE, representatives of local governments, tax authorities, law enforcement authorities and other supervisory bodies.

There are over 700 coordinating boards in Ukraine today in the provinces.

CHAPTER V. How to Influence Decision Making in Ukraine

Preliminary review of their activities testifies to the important role they are playing in regional business promotion and in tackling the problems of small business development.

Major issues the coordinating boards address at their meetings are:

- Implementation of a single state regulatory policy in the business sphere;
- Progress of implementation of business promotion regional programs;
- Operation of markets in the regions;
- Attraction of investments and provision of loans to business entities;
- Issues of land relations; and
- Consideration of disputes arising in the process of business activity.

Although the decisions passed by coordinating board meetings are of a recommendation nature, local governments take them into account in their work. Information on follow-up actions is provided during the next board meeting.

What can be inferred from the above is that, from an institutional perspective, the business community now has the necessary capacities to legally influence the passage of regulatory acts at all levels.

One seeking change should become fluent with the decision making process at different levels of government. In transition economies, legislation is changed often just as are the procedures and pattern of work of the government. Ukraine is currently implementing administrative reform, which is sure to affect the passage of decisions by government bodies. This is why, the information presented in this chapter should be viewed rather as an example of how the available procedures for passing government decisions can be used for making a lobbying campaign successful.

One seeking change should become fluent with the decision making process at different levels of government. In transition economies, legislation is changed often just as are the procedures and pattern of work of the government.

The Law-Making Process within the Verkhovna Rada (Parliament) of Ukraine

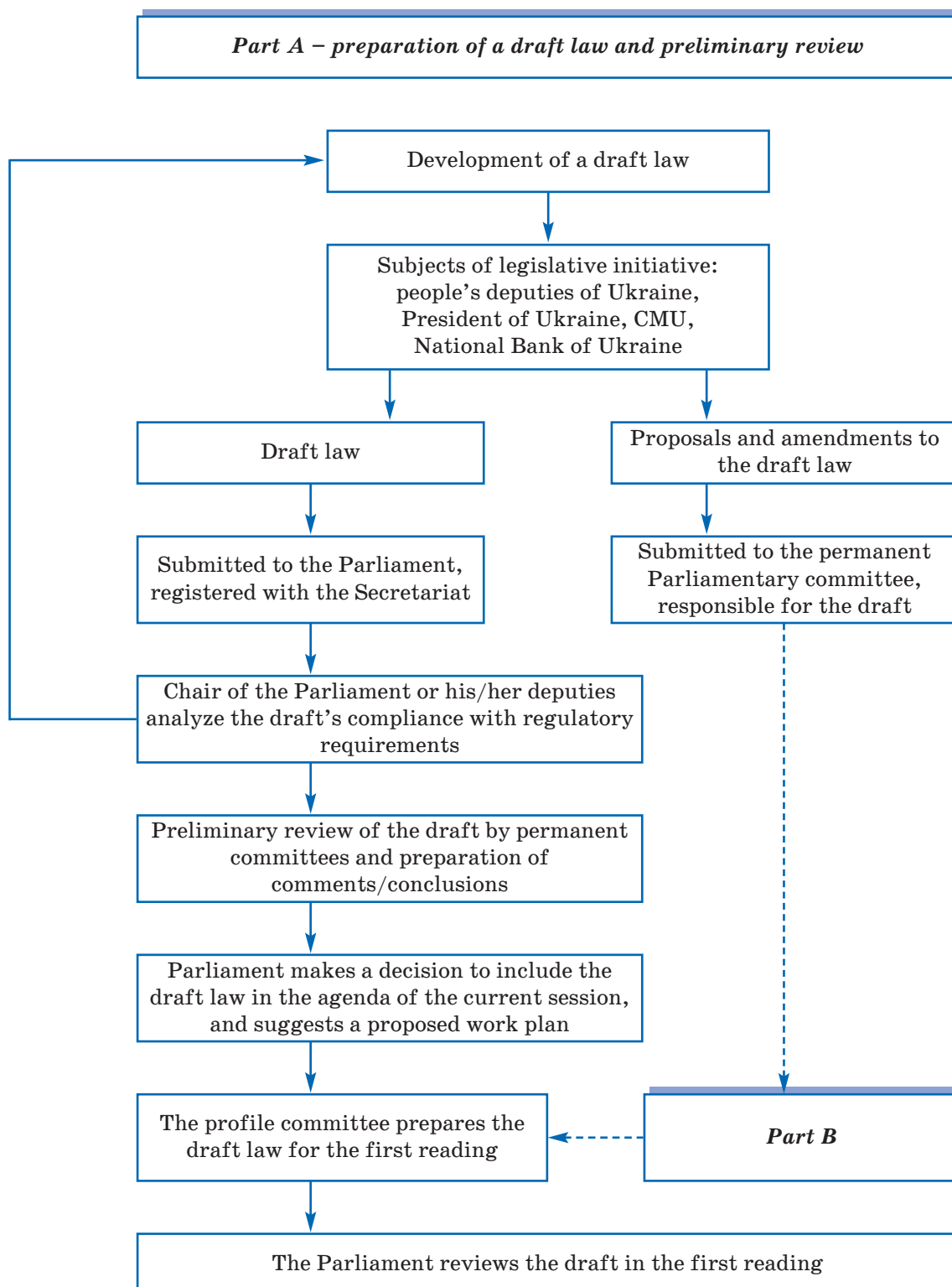
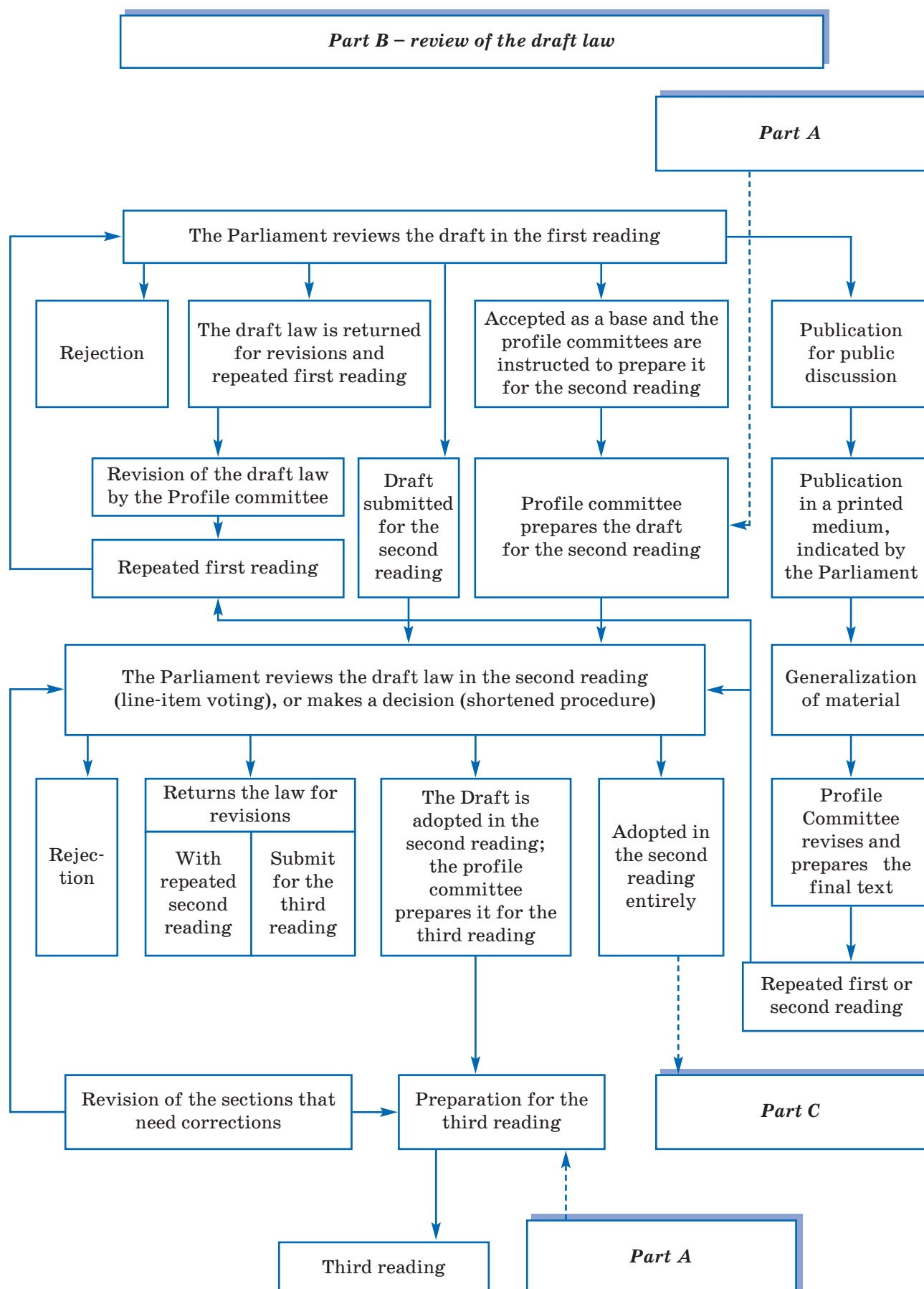
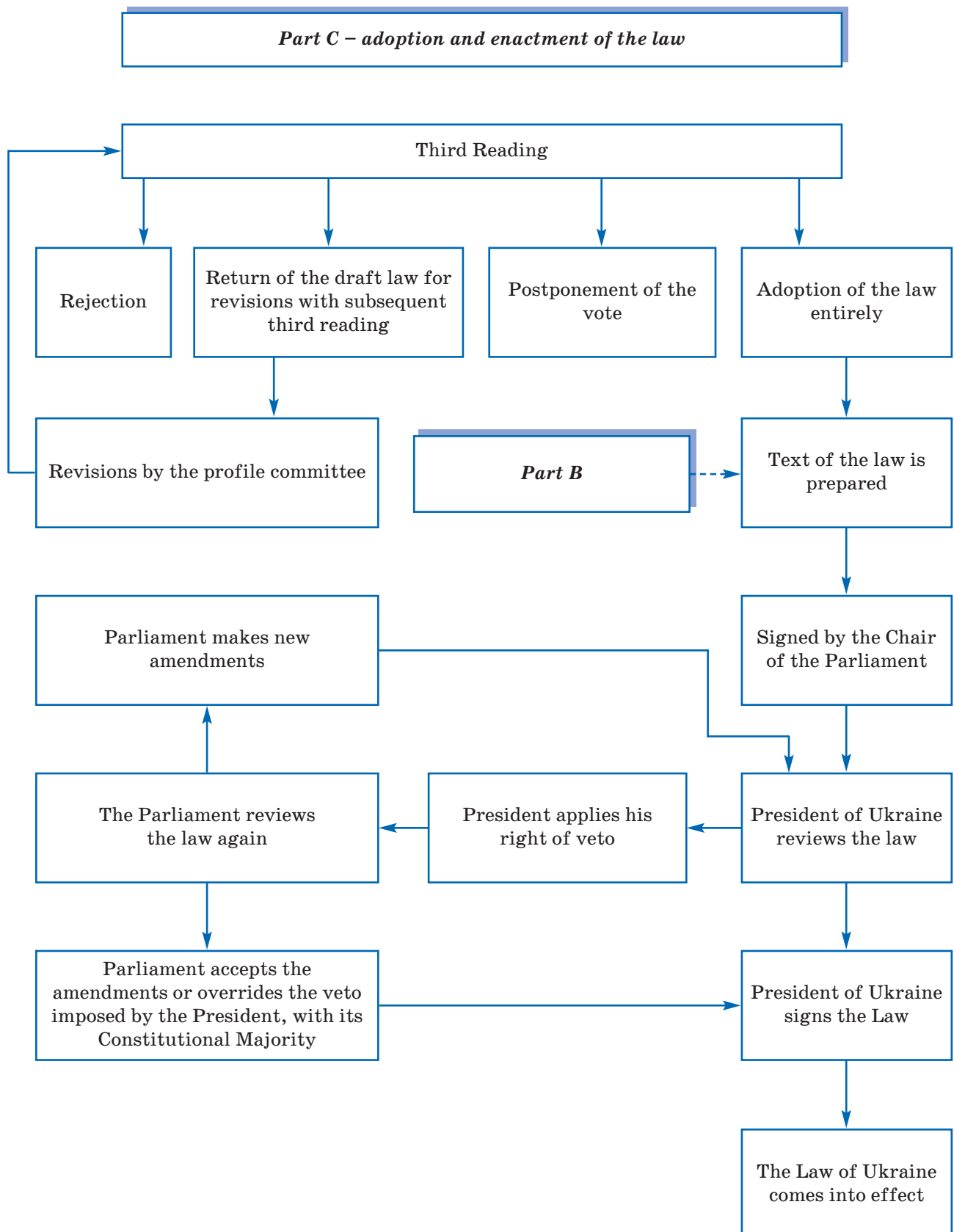
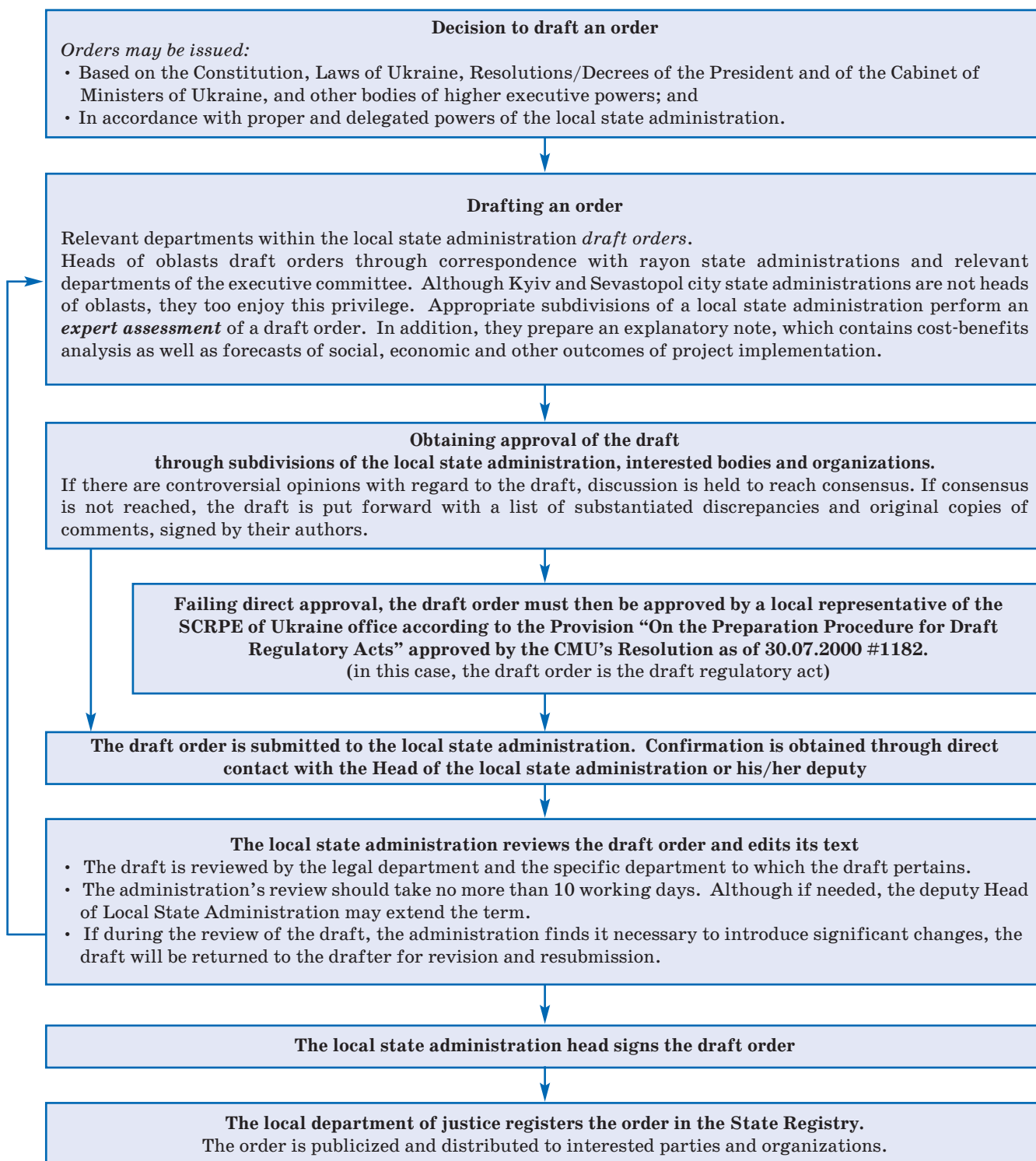


Figure 2 – continued





ENACTMENT PROCEDURE ORDERS ISSUED BY THE HEAD OF THE LOCAL STATE ADMINISTRATION

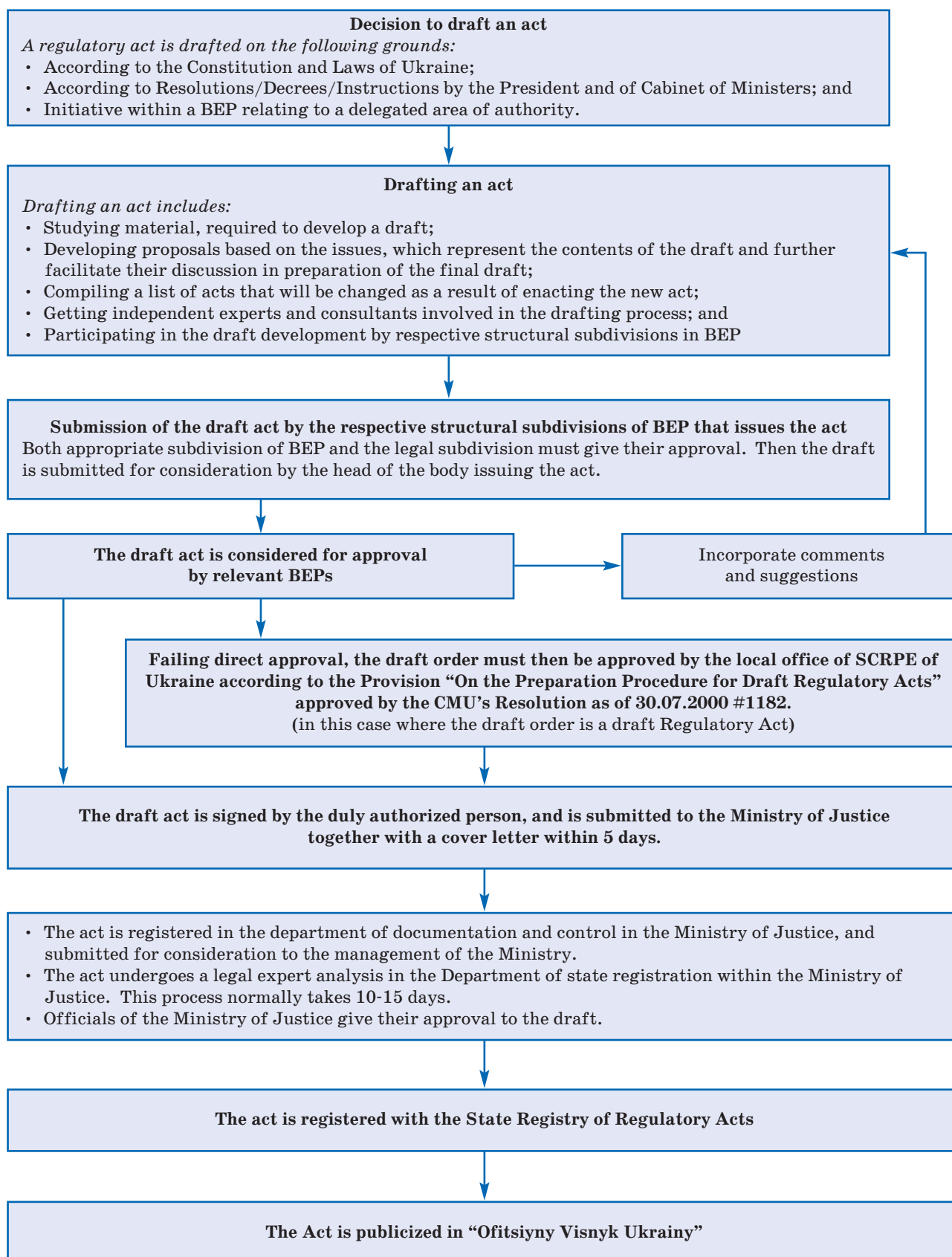


Note: Article 6. Acts of local state administrations (Law of Ukraine “On Local State Administration”)

According to Ukraine’s Constitution and Laws, the President of Ukraine, the Cabinet of Ministers, bodies of the executive power, delegated authorities, and **heads of local state administrations within their powers may issue Decrees (rozporядzhennya)**. However, heads of departments, divisions and other structural subdivisions issue Orders.

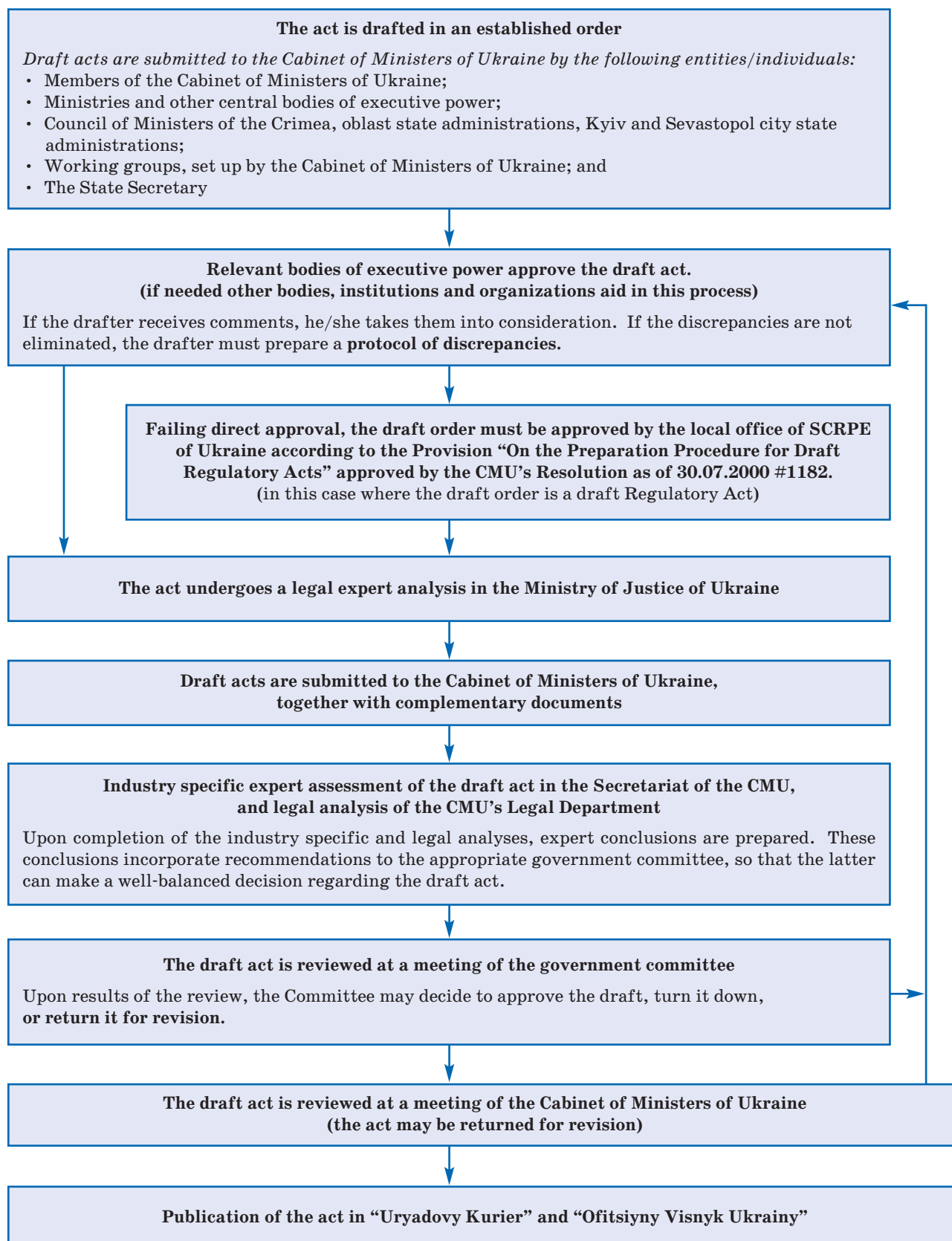
(Material of the Training Seminar “Management of Business Associations, Protection of Rights and Lobbying of Business Associations Members’ Interests” held by BIZPRO Project, July 2001)

ENACTMENT PROCEDURE
DRAFT REGULATORY ACTS ISSUED BY BODIES OF EXECUTIVE POWER (Further – BEP)



(Material of the Training Seminar “Management of Business Associations, Protection of Rights and Lobbying of Business Associations Members’ Interests” held by BIZPRO Project, July 2001)

ENACTMENT PROCEDURE DRAFT ACTS OF THE CABINET OF MINISTERS OF UKRAINE



(Material of the Training Seminar “Management of Business Associations, Protection of Rights and Lobbying of Business Associations Members’ Interests” held by BIZPRO Project, July 2001)

CHAPTER VI. The Lobbying Campaign

This chapter examines the third essential requirement for effective advocacy, as discussed in Chapters IV and V – effectively presenting and arguing for a particular policy position.

To work efficiently in any area, special methods and tools should be used. This is also true of lobbying to influence decision-makers. In spite of the similarity, lobbying is a very difficult type of activity because a lobbyist, who represents a special-interest group, is often confronted with other well-organized groups. To become a dependable representative of her group, a lobbyist needs to learn to use certain tools, which can help her attain the set goal. The most important of these tools and techniques are discussed in this chapter.

1. Need for Coalition Action

Interest groups and lobbyists must understand that they will not be successful in any business if they act solely at their own discretion. No matter how influential a group may be, their efforts are just the “tributaries” of the river of action necessary to achieve an ultimate aim. For this reason, an interest group and a lobbyist representing it, seek to gain more supporters who will promote the subject of the lobbying campaign they are waging. This objective can be attained firstly through the formation of a coalition or broad-based public support.

A coalition is, more often than not, a group of organizations and individuals formed to accomplish a certain mission, which meets the interests of all members of the group. At the same time, coalition members can be opponents on some other matters and represent antipodal positions. The number of organizations in a coalition can vary from two to several hundred. The strength of a coalition depends mostly on three sources: the mutual contacts and relationships of individual coalition members, the possibility to manage more resources corporately than each of the members individually, and distribution of tasks among the participants.

Advantages of a coalition

- A coalition has access to those government officials, for instance parliamentary deputies, with whom individuals could not get in touch through either official or personal channels, or with the help of members of organizations represented;
- A matter may seem more credible when experts participating in the coalition, are brought in to evaluate and review it;
- There is an opportunity to increase the content, as well as improve the quality, of the information being promulgated during the campaign, and communicate it to more people;
- One can quickly and effectively react to opportunities and threats that arise; and
- There is an opportunity to have greater access to the necessary information.

A coalition normally emerges due to the efforts and initiative of one organization. As a rule, it is one of the most influential or most interested in the matter. The prerequisite for forming a coalition is identifying other organizations and persons with the same interests in the given matter. They should be invited to meetings to work on common subjects, set priorities and map out a strategy. Coalition meetings are usually called by the initiating organization.

A coalition is a group of organizations and individuals formed to accomplish a certain mission, which meets the interests of all members of the group.

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A coalition is a situational association of participants enjoying equal rights.

According to surveys, the position each organization takes in the coalition and the role it is going to play, depends upon set goals, priorities and the means of the organization. Coalition members can be split into three groups: core members, active participants, and passive participants.

Coalition **core members** are above all made up of its initiators and other organizations that have sufficient resources. They display initiative or join the coalition to achieve their strategic goals. For this reason, they are prepared to contribute a considerable portion of their resources so as to be in a position to influence amendments to legislative acts or sponsor new ones and get them through.

The next group is **active participants**. Normally, they are organizations representing groups that are interested only in separate provisions of a draft law or an effective law. They, too, are prepared to invest sizeable resources to reach their goal.

The third group of coalition members includes organizations, which do not assume important obligations and are prepared to devote only a little time to participation in the coalition. They are called **passive participants**. To them, the coalition's goals are not top priority. The purpose of their participation may be to enhance their image or to gain access to information of relevance to the given case. These organizations, as a rule, are not willing to invest much in joint actions. Their position is passive.

Embarking on the formation of a coalition, the initiator in the beginning runs into two challenges. First, it is necessary to find out what other organizations show interest in the problem, which the coalition will tackle. And second, it is necessary to find out which of the interested organizations will back up the position the initiator is representing in the given case.

The proper approach to the second challenge is very important because there may well happen that we'll start cooperating with an organization which has not been monitoring legislation and would have known nothing about the draft amendments had it not been for us. But now that they've received the information from us, they are being most active. But on the opposite side of the fence, because, for reasons unknown to us, they've identified their interests as opposite to ours. So, we can indiscreetly cause the emergence of a counter-coalition antagonistic to us which fact may result in our defeat.

Therefore, as organizations look for potential coalition members, they should be prudent. If they are not sure about what position a given organization will ultimately take, the organization should ask questions rather than provide detailed and sensitive information.

There are better chances to enlist other organizations in the coalition when only conceptual provisions of a new draft law are available. In this case, even certain differences in the strategic objectives of individual organizations do not get in the way of the likelihood of striking a compromise.

One of the forms of formation of a coalition and establishment of rapport is a meeting or a similar event. To enhance the efficiency of such events right in the beginning, groups must draw in those organizations that

Embarking on the formation of a coalition, it is necessary to find out what other organizations show interest in the problem, which the coalition will tackle; and which of the interested organizations will back up the position the initiator is representing in the given case.

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have agreed to join the coalition. Active members of the coalition should invite the organizations they are working with directly.

One of the ways to attract as many potential participants in the future coalition as possible can be through inviting a government official, who could tell about the draft legal act or the decision that arouses concern. A discussion after such a meeting may encourage many people to pool efforts for concerted actions.

The agenda of a coalition meeting has several standard items and must be distributed to participants before the meeting starts:

- The first item on the agenda contains a description of the events that have caused the given problem;
- The second concerns the identification of the problem and reaching agreement as to its essence;
- The third is dedicated to discussion of the relevant strategy and actions required for resolution of the problem; and
- The fourth should propose making a list of actions and identification of persons responsible for their implementation.

Realization of these items can be split into several meetings, but what is important, though, is to quickly reach conclusions and go on to next items.

To make the coalition efficient, it is necessary, right at the first meeting, to define its operating rules: when to hold scheduled meetings; times in which extra meetings may be called; forms and methods of information exchange; and review of tasks.

It should be expected that some participants will be more helpful than others. It's advisable, after the end of the meeting, to briefly describe the discussion and arguments in a summary. Copies of this document should be distributed quickly to all participants as well as those organizations that had agreed to join the coalition but did not attend the meeting.

Most efficient coalitions are composed of organizations that cover different sectors and branches, which broadens their sphere of influence. Besides, due to the diversity of interests, coalitions including representatives of different lines of business, inspire more confidence. This confidence is based on the conviction that the problem, being addressed by several organizations, must be important and have a wide social coverage. Often this is a very valid argument for politicians.

Coalitions also have their weak points. The general problem of all coalitions is the necessity to discuss priorities and policies with all participants. In addition, some coalition members address their private affairs behind members' backs. Coalition leaders should always warn participants against such actions.

In the case of major issues, which are addressed within the framework of large coalitions, it is sensible to form a small team of experts to attack the given issue. For instance, a team of 3–6 representatives of different organizations can develop the text of an amendment much quicker than a larger team. The proposal formulated, the team should submit it to the other members of the coalition for evaluation. All should bear in mind, though, that the likelihood of reaching agreement in a certain time period is proportional to the number of persons involved in the process.

For all these difficulties, one should remember that a large coalition, composed of important and meaningful members, stands a better chance to succeed in lobbying. Coalition initiators, bearing this in mind, should

Most efficient coalitions are composed of organizations that cover different sectors and branches, which broadens their sphere of influence.

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enlist as many members as possible even though some of them will be “passive members” and their input may not be substantial.

2. Developing a Strategic Plan for the Lobbying Campaign

Development of a strategic plan is a basic stage of activity that is vital in reaching the desired result. This plan is required as a day-to-day tool for every lobbyist, but its significance increases dramatically when coalition action begins. A properly prepared strategic plan, covering all stages of the campaign, streamlines objectives and tools, encourages efficient use of member organization’s potential, prevents chaotic and uncoordinated actions which, do more harm than good and do not contribute to success.

The strategic plan should consist of several components, which include the following.

Objectives of the campaign

The objectives of the campaign should include four elements. First, the **main goal**, or the end result of the effort is the most important first step. The main goal can be compared to the ultimate aim of winning a war. When identifying the ultimate aim, exact and specific wording should be used.

If the issue pertains to a draft law, the ultimate aim is its enactment, revocation or the amendment of some clauses so that it will optimally serve the purpose of both the lawmakers and the coalition being represented.

However, if it is unlikely to cease the operation of an effective law, coalitions should set a more realistic aim: making amendments to this law, which may partially ease the burden of the previous requirements.

Although the ultimate aim of lobbying is relatively easy to identify, reaching a consensus among individual coalition members about the ultimate aim may prove to be a challenge. The trouble is that, as groups formulate their ultimate aim and begin working toward its attainment, they have to realistically and thoroughly describe what will be the end product of the effort. If they succeed in accomplishing this, it should be greeted with success. If, however, they fail to fully achieve their aim this will be regarded as a defeat. This is why, reaching agreement about the ultimate aim of the campaign by all participants is very important.

If the ultimate aim of the lobbying campaign cannot be worded, it should be expressed in the form of a list of acceptable results. In other words, the ultimate aim can well be defined through several alternative ideas, pointing out which of them are more attainable and which are less. So, the identified objectives will include the sphere of activity and the grounds for evaluation by the organization whose interests the coalition is representing.

Second, the objectives should include a **list of milestones**. They can be compared to battle plans necessary for winning a war.

Normally, identification of milestones amounts to identifying those persons among deputies or officials who make decisions related to the issue being lobbying for and finding out how they make the final decision. It is necessary then to understand and eliminate all anticipated difficulties through which the decision may be granted against the interest group of

Development of a strategic plan is a basic stage of activity that is vital in reaching the desired result. The strategic plan should consist of several components, which include the following: objectives of the campaign, identification of the necessary resources, task sharing within a coalition, and an action plan.

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the lobbyist. Review of pre-identified intermediate objectives becomes important in the course of implementation of the strategic plan. It should be noted that the objectives set are not a dogma: they can be changed according to the results achieved at the previous stages.

Here, too, there is a risk of the lobbyist being too absorbed in the work to reconcile the sequence of actions with the original program. The problem is that the lobbyist could fail to notice that the objective has changed, partially or completely, or that the objective has already been attained due to somebody else's efforts. Thus, all his efforts will be futile.

Sometimes, it may be necessary to look for other means to accomplish these milestones.

So, it is very important that the milestones be identified and monitored so that all individual actions are coordinated and pave the way for achieving the main goal.

Third, objectives should include specific *tasks*. They can be compared to encounters with the enemy. These are necessary for accomplishing separate milestones.

And finally, the objectives should include detailed *individual actions*. These need to be taken in order to carry out the tasks of the previous elements.

It should be noted that coalition members often succumb to the temptation of beginning action before the ultimate aim or intermediate objectives have been agreed upon. This temptation needs to be overcome or else the coalition will be involved in sporadic and uncoordinated actions that do not produce the desired results.

Identification of the necessary resources

The strategic plan cannot be composed of objectives alone. Its second half should include identification of the necessary resources related to fulfillment of certain tasks.

Identification of resources in terms of money is particularly necessary for coalitions that decide to finance their joint efforts by pooling their resources. It means that member organizations of a coalition agree that all actions requiring substantive costs (for example, the fees of experts conducting studies or participating in parliamentary committee meetings, the media campaign and so on) will be supported through a joint fund consisting of declared contributions. Due to this, it is necessary to ensure maximum transparency as far as joint expenses are concerned. The first step here is determining what amounts may be required for carrying out planned activities.

It does not necessarily need to be only monetary contributions. The principles of the coalition's activity can provide both financial contributions to the coalition's effort, assumption of the necessary organizational responsibilities, development of analytical documents, and provision of human resources and technical equipment.

An additional benefit here is the ability of coalition participants to realize what they can "afford", i.e. whether the declared amounts cover the costs necessary for achieving the ultimate aim. More often than not, it takes a second and a third round of discussions among coalition members because the money for all planned actions is usually not enough.

The objectives of the campaign should include four elements: the main goal, list of milestones, tasks, and individual actions.

The principles of the coalition's activity can provide both financial contributions to the coalition's effort, assumption of the necessary organizational responsibilities, development of analytical documents, and provision of human resources and technical equipment.

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The coalition initiator is often faced with a dilemma that calls for wise decisions:

- Either seek the “contributions” of equal size, probably in an amount proportional to the selected criterion of an organization’s “potential” (for example, the number of members or the annual amount of membership dues); and
- Or risk causing some to bear a disproportionately large part of expenses.

The dilemma consists in the first case that the initiators, seeking to have a seemingly “fair” sharing of financial burden, have few chances to receive the consent of most participants, or may receive consent only to small amounts of contributions. This will not allow collecting enough funds to run an efficient campaign.

It can be inferred that campaign initiators, when organizing a coalition, need consider in advance that a situation may develop in which they will have to bear a disproportionately large part of expenses because it is their top priority objective to attain the aim set.

Task sharing within a coalition

The third part of the strategic plan should include the distribution of tasks and actions among specific organizations or persons within a coalition.

Tasks are normally distributed in accordance with the coalition structure. The organizations in the coalition “nucleus”, having the strongest motivation to attain the ultimate aim and having the largest resources, can take upon themselves tasks requiring more inputs in terms of information, time, and finance. This is not a rigid principle and it can be worth negotiating with other members of the coalition. But participants should not be coerced into assuming more responsibilities than they are willing to take on. All decisions and responsibilities taken by a participant under excessive pressure will not be performed properly. Every coalition member, when undertaking a task, should be sure of:

- Its importance for attaining the ultimate aim;
- Its practicability based on their institutional and financial resources;
- “Fair” distribution of tasks among coalition members so as not to leave the negotiating table with a feeling that other organizations, in spite of their capacities, have been assigned easier tasks.

Of course, the issue of costs should not be the sole criterion to be applied by coalition members in task sharing. The “specialization” of specific members should also be considered, as well as their skills in such special areas as drafting laws, conducting researches, ability to communicate with the media, and good contacts with politicians. These skills need to be identified and put to good use in running a lobbying campaign.

Action plan

An action plan is the last basic component of the strategic plan.

All separate actions, even the smallest ones, need to be taken:

1. In a particular sequence (for example, preparation of analytical material should precede the organization of a press conference addressing this subject, and not vice versa); and
2. At the right time, according to the events and dates that are external (for example, the time of a parliamentary committee meeting; the amount of time necessary to prepare a qualified expert report or the text of a bill etc.).

In task sharing the “specialization” of specific members should be considered, as well as their skills in such special areas as drafting laws, conducting researches, ability to communicate with the media, and good contacts with politicians.

The designing of a strategic plan, just as the coordination of coalition actions in the course of a lobbying campaign, cannot be done with the direct involvement of all participants. It is necessary to form a small team within a coalition. This team will be responsible for monitoring and coordinating the actions of participants on a daily basis and proposing amendments to the previously developed strategic plan. The team, which could be called the “headquarters”, is to play an important role. Thanks to the efforts of the members of this small team (3–6 persons), the coalition will operate not intermittently, from meeting to meeting, but on a day-to-day basis. This allows it to quickly and efficiently respond to changes in the situation and monitor the fulfillment of tasks by individual members.

Updates to the strategic plan

A well-designed strategic plan is a document serving many purposes. The plan is the guideline that allow the performers of tasks to follow the accepted strategy, get their priorities right and know the sequence of fulfillment of their tasks. It allows a consensus and develops a common position for member organizations to monitor the progress of work.

The strategic plan is a document that is changed as the priorities are changed or as unexpected opportunities or threats arise. It is very important therefore that the strategic plan be updated systematically and regarded as a working document.

In other words, one should not be a hostage to the original version of the plan. Instead, it needs to be updated as events develop. The strategic plan should help coordinate the operation of the whole group involved in the campaign.

Example 4

A lobbying campaign strategic plan

The rationale for staging a campaign was to repeal the enacted Law of Ukraine “On Amendments to the Law of Ukraine ‘On the Use of Electronic Cash Registers and Cash Books in Settlement with Consumers in the Trade, Public Catering and Services Sector’”.

Campaign goal – to make amendments in the Law in order to:

- Exempt small businesspeople, using simplified fiscal methods, from the mandatory use of ECR’s;
- Streamline and make transparent the procedure for control of compliance with the Law; and
- Bring the penalty system in conformity with the gravity of violations, i.e. prevent excess fines for minor violations.

Milestone 1 – Veto on the enacted Law

Task 1: arrange sending appeals to the President of Ukraine as to the need to impose a veto

Activities	Responsible Party	Term
Preparation of an appeal	Analytical team	Within 3 days
Arrange sending of cables from the regions	Regional business associations in Kyiv, Bila Tserkva, Dniprodzerzhinsk, Luhansk, Dnipropetrovsk, Kharkiv, Nikopol, Mykolayiv, Simferopol, Zaporizhya, Melitopol, Khmelnytsky, Lviv, Donetsk.	Within a week

Task 2: get the CMU to send a letter to the President, recommending to impose a veto

Activities	Responsible Party	Term
Preparation of well-founded arguments for the government	Analytical team	Within a week
Organization of an advisory body meeting to be attended by the first deputy prime minister	Secretariat of the Board of Businesspeople Associations under the Government Committee for Economic Development	Within two weeks

Milestone 2: if a veto cannot be secured, seek postponement of putting the Law into force.

Task 1: seek the submission of a draft law on postponement of the Law coming in force

Activities	Responsible Party	Term
Development a draft law on the postponement	Analytical team	Within two days
Talks with parliamentarians as to submission of the draft law	Association “Ukrmarket”, Association “Unity”, the All Ukraine Independent Labor Union, regional business associations with the assistance of the SCRPE	One day

Task 2: arranging picketing

Activities	Responsible Party	Term
Gather information about the demonstration and completion of all related formalities with authorities	“Ukrmarket”, “Unity”, the Ukraine Federation of Unions of Cooperators and Businesspeople of other Types of Ownership, the All Ukraine Independent Labor Union, regional business associations with the assistance of the SCRPE	Three weeks
Picketing, circulation of demonstrators’ demands among parliaments	“Ukrmarket”, “Unity”, the Ukraine Federation of Unions of Cooperators and Businesspeople of other Types of Ownership, the All Ukraine Independent Labor Union, regional business associations	During the demonstration
Talks with the Verkhovna Rada leadership about demonstrators’ demands	“Ukrmarket”, “Unity”, the Ukraine Federation of Unions of Cooperators and Businesspeople of other Types of Ownership, the All Ukraine Independent Labor Union, regional business associations	During the demonstration

Task 3: seek consideration of and voting on proposal to postpone putting the Law into force, by the Verkhovna Rada

Activities	Responsible Party	Term
Talks with the CMU to agree on the need to postpone putting of the Law into force and prepare relevant decisions	The Board of Businesspeople Associations under the Government Committee for Economic Development, “Ukrmarket”, “Unity”, the Ukraine Federation of Unions of Cooperators and Businesspeople of other Types of Ownership, the All Ukraine Independent Labor Union, regional business associations	Within a week
Distribution of materials with arguments in support of the postponement	Analytical team	Within a week

Milestone 3: if the postponement of putting the Law into force is secured, develop and make amendments to the Law, which would serve the campaign purpose

Task 1: develop a draft law with relevant amendments

Activities	Responsible Party	Term
Hold a working group meeting to finally identify problem clauses in the Law	Analytical team, “Ukrmarket”, “Unity”, the Ukraine Federation of Unions of Cooperators and Businesspeople of other Types of Ownership, the All Ukraine Independent Labor Union, regional business associations with the assistance of the SCRPE	Within a month
Develop a draft law serving the campaign purpose	Analytical team in cooperation with the SCRPE	Within two months

Task 2: submit the draft law to the Verkhovna Rada for consideration

Activities	Responsible Party	Term
Hold talks with parliamentarians, identify a sponsor for the new draft law	Analytical team	Within a month following draft law development
Information support of consideration of draft law in the relevant Verkhovna Rada Committee	Analytical team in cooperation with the SCRPE	During consideration period in the Verkhovna Rada Committee

Task 3: secure passage of the draft law by the Verkhovna Rada

Activities	Responsible Party	Term
Gather information on parliamentarians’ attitude to our draft law, based on the results of its consideration in the Committee	Analytical team in cooperation with the SCRPE	Within a week following the Verkhovna Rada Committee’s decision
Send letters from regions to parliamentarians who were elected in relevant constituencies	“Ukrmarket”, “Unity”, the Ukraine Federation of Unions of Cooperators and Businesspeople of other Types of Ownership, the All Ukraine Independent Labor Union, regional business associations	Within a month
Arrange meetings with parliamentarians in constituencies	“Ukrmarket”, “Unity”, the Ukraine Federation of Unions of Cooperators and Businesspeople of other Types of Ownership, the All Ukraine Independent Labor Union, regional business associations	Within a month
Distribute printed materials with arguments for our draft law	Analytical team	Within a month
Arrange the presence of delegations of CEC member organizations in the Verkhovna Rada during voting	Analytical team in cooperation with the SCRPE	During the voting

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In the course of the campaign, the strategic plan was on many occasions reviewed and updated. It was especially important at the stage of accomplishment of separate milestones: the action plan for a separate task was reviewed and a reasonable timeframe was set, allowing for the events of the previous stage.

3. Formulating a Motto

One of the first steps within the strategic plan framework is formulation of the campaign's motto. It is the most essential vehicle for conveying the campaign's message to target audiences. It will be noted that no lobbying campaign can be run without such message. If, for instance, one would ask a few active members of one and the same coalition about the aim they are going to attain in seeking changes in the legal framework, it is not unlikely that they will give different answers. Hence there is a need for an agreed upon message intended for target groups. In other words, all campaign activities need to be directed toward the realization and support of this message by the public; all coalition members must strictly follow this message in their speeches, publications etc.; this message should be present in all joint actions, public and media events etc.

However, there needs to be a mechanism for easy recognition of the message and the coalition itself by decision-makers and the public. This mechanism is a motto.

To coin such a motto is not easy. To agree about the final content of a motto is more difficult than to agree about the message of a campaign. All arguments underpinning the coalition's position must be studied so as to coin a motto, which would concisely and effectively convince people of the coalition's cause.

The process of coining a motto can be as follows: let's assume that a lobbyist has only one sentence to describe the aim of the lobbying activity. What should be said?

A motto is like a brief note of my organization's mission, which must clearly express in a few words the aim and position of the coalition as to the given matter.

The role of a well-formulated motto is to set the subject of the lobbying campaign, which meets the needs of the group. So, it is an indirect (through the motto content) definition of who belongs to the group and who is opposed to it.

Examples of the importance of having a well-formulated motto can be easily found in specialist literature, which provides descriptions of many successful campaigns. Many succeeded because they had formulated and presented their motto so as to determine the character of the public debate even before it really began. For instance, campaigners against abortions in the US insisted that they be called a "pro-life" group. In this way, they exploited the media tendency to present problems in a polarized manner. As a result, the groups opposed to them were branded as campaigners "pro-abortions" although some of them were not such. The presentation of the problem in that manner aroused in most people indignation (not always justifiably) in respect of the opponent which became possible due to the aptly coined motto that identified the whole group and the campaign.

It is important to agree about a motto at the very start of the campaign. At later stages, when many people already start working with the public, it will be next to impossible to adjust their argumentation to a new motto. Also, it will be then possible to avoid the risk that someone else (for

The strategic plan is a document that is changed as the priorities are changed or as unexpected opportunities or threats arise. It is important therefore that the strategic plan be updated systematically and regarded as a working document.

The motto is the most essential vehicle for conveying the campaign's message to target audiences.

example, opposition) may coin a motto that will characterize our group negatively which may cause our campaign's failure.

An accepted motto should be consistently presented, on every occasion, to all coalition members. It is only in this way that it will reach all target audiences.

It is also important that the motto's words attract people's attention. Out of the question are meaningless slogans, which are based on platitudes, or alarming slogans, which sound false. Also, the motto should not be aggressive, i.e. directly attacking the opponent. It should be focused on the problem and suggest ways to tackle it.

Mottos should be differentiated and adjusted to the specific characteristics of those groups we are going to work with. The art of reasoning lies in accentuating the different aspects of our proposal. It should be borne in mind, though, that in differentiating the accents, the community of the motto for all target groups should be preserved.

Lastly, it is sensible to make sure that the organization or coalition members who are going to promote it understand the formulated motto.

4. Enlisting Public Support for Lobbying Campaign

The main idea of public support of the lobbying campaign is that the organization is reaching beyond their interest group and looking for support among common people, who are voters and together can influence the parliamentary deputy/deputies they have elected.

This mechanism is based on the simple principle that this is the voice of constituents. These are the people upon whom the deputies' future re-election hinges so they naturally listen more attentively. They would then consider voting and making decisions in favor of this group.

The essence of public support consists in the communication of citizens with the deputy whom they elected. When asked what information sources are the most important to them, politicians normally point to their constituents irrespective of what their profession: an organization leader, businessperson or a person on the street.

When united, people can do much to influence the lawmaking process. The activity of groups of citizens – constituents is proof of that.

Persons, running lobbying campaigns for business associations, should know and be able to use the potential of broad-based public support to enhance arguments aimed at politicians.

The main challenge in the process of enlisting public support for a lobbying campaign is the ability to bring in members of society that will actively contribute to reaching the goal. What is meant by "society" here is all those who live in a constituency, and who would be interested in the subject of the lobbying campaign.

For instance, the government of a town has raised single tax rates for businesspeople engaged in the transportation of passengers on public transport. The number of businesspeople affected by this is small. It is unlikely that the town council will listen to an organization that represents the interests of only carriers (or this category of carriers). But the interest group can turn to the public – passengers – and tell them that it is not only the carriers that will suffer in this situation, but also other

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people-passengers – above all senior citizens and disabled people, who enjoyed certain privileges in using public transport and now will have to pay more and what impact this will have on their family budget. The alarmed public will definitely appeal to deputies of the town council, who will have to revise their decision.

There can be singled out three consecutive steps of a lobbyist, contributing to public support of the lobbying campaign:

1. Identify all groups of citizens whose support is worth enlisting, and describe those features that differ them from others;
2. Formulate clearly the main goal that would characterize the problem and position, the message separately targeting each of these persons and groups; and
3. Mobilize many different groups of voters to demonstrate the strong support of the interest group's position.

At the same time, the lobbyist can identify the following people or groups of people to influence, as the subject of such a campaign:

1. Certain sections of people (see above) so as to enlist them in a public support campaign;
2. Persons directly working with deputies or mayors; and
3. Public officials, who prepare decisions or make known publicly the position of authorities as to the key issues of our campaign.

Each campaign, which mobilizes public support, should begin with identifying specific groups and persons whose support is worth enlisting to demonstrate that their arguments are valid. They, for instance, can be major decision-makers, their advisors, mass media, business community and other interested parties.

It is sensible to be well aware of the interests of these groups and persons and the positions they take. The group should know who has sided with them, who opposes them and who is still undecided. This type of analysis can help make activities more efficient and less time consuming.

Decision-makers and lawmakers

When researching which decision-makers are supporting the group, which are not and which are sitting on the fence, it is necessary to study the way they voted in the past. This information can be found out through a secretariat or by asking them in person. In addition, it is vital to determine the main characteristics of their constituents. It is necessary to analyze how they voted in similar cases and to identify groups the deputies depend upon most, as well as the main characteristics of the public in their constituencies (for example, average income, average age etc.) This data will help identify the deputies and mayors that fall within the “group of opponents”, but still can be persuaded to change their position.

This information will also be helpful in developing the tactics of a company to influence the persons sitting on the fence, if they are in a majority.

In a situation when the majority in the Verkhovna Rada or a city council is against the group's position, all efforts should be concentrated on them since a majority of votes need to be secured for the draft law being lobbying for or against.

If a decision maker is active in backing up the group's position, it is not sensible to pressure her through frequent visits or phone calls.

During each stage, the group must decide on which of the aforesaid

The main challenge in the process of enlisting public support for a lobbying campaign is the ability to bring in members of society that will actively contribute to reaching the goal.

groups they will concentrate their efforts. Because, more often than not, the resources are scarce and so they must:

1. Focus on their supporters when they are many (more than half or half of the deputies of the Verkhovna Rada or a city council), through providing appropriate arguments to various arguments to strengthen their positions;
2. See that their supporters are not enough, and the majority have not made up their mind yet, it is advisable to work in two directions: strengthen the arguments of our supporters and pressurize and convince those sitting on the fence; and
3. If the majority are against their position, it is necessary to focus just on them, pressurize them and convince through: public support, letters, personal meetings, invitation to round tables etc.

People surrounding decision-makers

Although the target group includes deputies, mayors etc. and the focus of efforts is on them, the group should not forget about the people who they work with in their offices, who act as agents in communicating information or ideas and can influence the politicians' decisions.

Those people serve, as a rule, as heads or staff members of the offices of deputies or members of advisory services, aides, consultants and so on. Normally, direct access to the most influential politicians and top government officials is problematic or almost impossible. This is why reasoning and arguments should be directed to these persons in order to earn their goodwill and support or, at least, neutralize their dislike for the group's position.

Government officials

In addition, it is necessary to enlist the support of representatives of the executive power (government bodies, the Cabinet of Ministers of Ukraine, the Administration of the President of Ukraine). When their ear is gained, the group can state an opinion about legislative initiatives that could be taken into account when the relevant decision is made. Also, most draft legislative acts for local councils are developed by local governments while most legislative initiatives come to the Verkhovna Rada from the Cabinet of Ministers. In other words, the executive branch of power develops them. Much in the campaign will depend on the position that government bodies will take: if they are against or uncertain, they become the subject of a campaign of influence (letters with arguments; personal meetings, if possible). It is worth attending working meetings or sessions when issues important for lobbying are under discussion.

5. Major Tools Used in Campaign for Enlisting Public Support

The strong point of public support is that decision-makers are provided with information about facts and comments that are based on the personal experience of many people.

To convince or encourage these people to take certain steps – actively present their view to a parliamentarian and support it with a relevant example from their own experience – is not an easy thing.

The experience of people who have long been involved in organizing such campaigns, shows that, on the one hand, when they convince people to back up their cause, they are willing to study all arguments and research results available. They simply want to know what the problem is. On the other hand, they are afraid to convey arguments, which they do not know, to the government.

The strong point of public support is that decision-makers are provided with information about facts and comments that are based on the personal experience of many people.

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But the same experience also shows that, when interested persons are provided with material in a condensed form they grow bolder and become more active in expressing their views and supporting them with examples from personal experience, which often impresses decision-makers.

Therefore, the first basic tool that should be prepared in designing a public support campaign, is a booklet containing:

- Condensed information defining of the problem;
- Solutions, together with arguments, offered by campaign organizers;
- Analysis results supporting the argumentation; and
- The view of our opponents and an explanation why it is wrong and what negative social effect its implementation may produce.

This brief material will be a good tool to help and motivate anyone who will be willing to go to the government and present his/her view.

Example 5

Information Pamphlet for potential participants

A draft submitted for consideration

The city administration has passed a decision to raise a single tax rate for businesspeople providing public transport services, from Hr 30 to 120.

Problem

The transport workers association commissioned a reputable research center to analyze the implications of such a decision. Below is a summary of the report prepared by the research center.

Raising the tax rate will put many private carriers that are on the brink of bankruptcy as they are, into financial straits. Even today, they are not in a position to spend the money they earn on the maintenance of vehicles or buy new ones to improve conditions for efficient and safe transportation of passengers. Also, higher tax rates will make the public pay more expensive fare which will have a bad effect on their family budgets. And some citizens will not be able to afford using this type of transport altogether. The jitneys will run more seldom than now, and people will not be able to get to work, hospitals, day care centers, etc., on time. All this will considerably worsen the quality of life of the population. Besides, most of the carriers will go broke. There will be more illegal carriers that will not pay taxes and, as a result, local budget revenues will dwindle.

Should this decision be approved, residents of the city will:

- 1. Pay higher transportation costs;*
- 2. Jitney service will worsen;*
- 3. Condition of vehicles will worsen and this will affect the safety of trips; and*
- 4. Conditions of transportation of passengers will get worse.*

All this will lead to:

- 1. Reduction of budget receipts; and*
- 2. Social tension in society.*

Proposal

To set the tax rate, after consultation with the parties concerned, at not more than 50% (and not 400%) of the maximum rate of Hr 45, with the possibility of further increase in the years to come, but also in consultation with the carriers.

Justification of our position

This increase is acceptable for most carriers, proof of which being the surveys conducted among them and the simulation of economic processes. This will allow prevention of bankruptcy of carriers and increase in transportation costs. Due to tax receipts from the carriers, budget revenues will increase somewhat.

Public support tools

There are many ways to communicate with public officials that could be used to gain public support:

- Participation in public hearings;
- Letters to the elected officials: deputies, mayors, President of Ukraine;
- Personal visits to the waiting rooms of elected officials;
- Telephone conversations with decision-makers;
- Participation in open meetings or election rallies, organized by public officials important for the campaign;
- Organization and writing of formal petitions;
- Writing of letters to local, regional and national newspapers;
- Telephone calls to local radio stations broadcasting live;
- Appearances on talk shows and other local TV programs;
- Use of the Internet to share your views with both decision-makers and the general public; and
- Participation in demonstrations, pickets and other public demonstrations.

Below are discussed some of the above-mentioned tools.

Holding of public hearings

Holding of public hearings is one of the most common and popular tools in organizing public support campaigns in Ukraine. Currently, there are two main ways to conduct public hearings. One of them is based on the Law of Ukraine “On Local Governing”, which is the only legislative act that gives the definition of the term “public hearings” and defines the main features of this notion, namely:

“Article 13. Public hearings

1. *Any territorial community has the right to conduct public hearings to meet with deputies of the relevant council and officials of a local government, during which members of the territorial community may listen, bring up issues and put forward proposals concerning matters of local importance that fall within the jurisdiction of local government.*
2. *Public hearings should be held at least once a year.*
3. *Proposals submitted on the basis of the results of public hearings are subject to mandatory scrutiny by the bodies of local government.*
4. *Procedures for organizing of public hearings are determined by the status of territorial community.”*

In other words, this concept of public hearings is based on the notion “self-governing community” and determines public hearing as a tool of self-governing. This concept envisions that the range of issues submitted in public hearings is limited by the competence of local government, and that this local government must examine the results of public hearings.

The second concept is based on an interpretation of public hearings as a public event, being beyond the competence of local government. Such an event is aimed at involving authorities from different levels and the general public (not only members of a local community) that can influence the relevant authority as to the passage of government decisions.

Both concepts have common features.

First, public hearings should focus on one clearly defined issue. Second, both representatives of the relevant authority and representatives of the public should be present at public hearings. Third, during public hearings, proposals concerning the solution of an issue for lobbying are arranged and discussed.

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The initiative for conducting public hearings can come from both authorities and social organizations, including business associations. But it is important that a wide range of social organizations support this initiative. Therefore business associations may use such initiative for enlisting public support.

For a public hearing to be successful, decisive actions must be taken by a coordinator:

- Set a time for a hearing so that it suits all the potential participants;
- Choose a room that does not create an officially tense atmosphere and is spacious enough;
- Announce public hearings through the media in advance;
- Prepare materials that give a clear idea of the issue to be discussed and of the methods of addressing this issue; and
- Invite media representatives and prepare a press release.

In preparing and conducting public hearings, it is useful to use all information and issue analysis, methods of collaboration with the media and other methods of enlisting of public support that are described in this book. It is better to use methods such as public hearings when running a lobbying campaign, the hearings then apply more influence on the government and are more effective.

Letters to government officials

The Law of Ukraine “On Submissions of Citizens” envisions the need for the examination of and the compulsory reply to any written submission from citizens within a month. Therefore, letters from voters can be an efficient tool of influence on the authorities: both executive and legislative.

A campaign of sending of letters should be run at a proper time which is usually suggested by the lobbyists. These set a time based on a process of document development and can determine the most convenient moment for a mass mailing.

In general, there are three types of such letters:

- “Copies”, similar to the sample developed by the campaign organizers;
- “Personal”, different in terms of contents and form, that reflect the individual experience of their writers; and
- “Mixed”, in which features of the previous two are present.

The “copy” letters may at first sight seem to be an attractive form as the letter requires minimum efforts from a correspondent; s/he just signs and drops it into a mailbox. At times, one does not even have to write an address on the envelope since organizers often provide preaddressed envelopes.

But the drawback of these letters is that one can notice right away that they were prepared by third parties and those who sign the letters are probably not very knowledgeable about the issue itself and might not even be very concerned with its solution. Therefore, neither reliability nor the strength of the arguments given here grows proportionally to the number of letters of this kind. Somebody thinks that preparation of one petition letter with a great number of signatures will have the same effect as sending of mass letters, but costs will be much lower.

Much more impressive is the inflow of “personal” letters that differ from each other in style, but agree in content. There is only one problem with letters of this kind, but it can be very serious: their writing requires considerable labor input. Not everyone supporting a business is eager or able to write a serious letter with logical and convincing arguments. This

Public hearings should focus on one clearly defined issue. Both representatives of the relevant authority and representatives of the public should be present at public hearings.

Letters from voters can be an efficient tool of influence on the authorities: both executive and legislative.

normally requires enthusiasm, which not everybody has. In spite of this, a lobbyist should encourage “personal” letters. They play a great role when read by key people – those who make decisions and who can be influenced with the associations views at the proper time.

In addition to the aforesaid booklet, a short “technical” manual, developed and provided by the organizers of the campaign, will be helpful to many of those intending to write a letter. It clarifies the specific nature of a letter to the lawmaker and may in particular contain the following recommendations:

- Make the letter short – it should be no longer than a page. It should be typed or printed rather than written by hand (in this case, legibly);
- Commit to paper only your own ideas and write them down in your own words;
- Focus only on one problem. Address other problems in next letters;
- Demonstrate your knowledge of the text of the draft law and its status (give the official title and number of the draft law);
- Explain in detail what action or decision you expect from the addressee;
- Justify your position and, if possible, give an example from your own experience;
- Tell what impact the given problem may have on the future of people, companies etc. in the addressee’s constituency;
- Give, if possible, statistics on the addressee’s voting over the previous period, so as to show him your knowledge of his position during voting on other issues; and
- Make the tone of your letter both friendly and supportive, not critical or antagonistic; suggest providing further information in the future.

Example 6

A personal letter to a politician

To: Mr. Oleksandr XX
Transport Commission Chair, Council of City of YY

Dear Sir:

My name is Halyna Ivanova, I am a retiree, who receives a pension of Hr 60 and who enjoys the official privilege of free use of the jitney service. I currently travel by jitney to the clinic at least once a week (as you know a jitney driver is allowed to take in only one passenger with this privilege). Unfortunately, I will now no longer be able to take advantage of this opportunity. I hear that the carriers will have to raise the rate of single tax from Hr 30 to 120 (a notice about this is put up in each bus). According to them, they will be unable transport people like me once the City Council’s decision to this effect is in place. They will have to raise the cost of transportation and, as a result, the number of passengers who can afford the use of jitneys will drop, and the drivers will stop transporting retirees and the handicapped. Also, the number of jitneys will be reduced. Since our municipal public transport is most inefficient, people at the stops have to wait for buses a long time. I cannot afford to wait long because of my health. We can only hope that common sense will prevail and the municipal deputies will not do something that will affect people like us, senior citizens. Please, do not pass the decision about raising the single tax rate for jitneys.

Sincerely,

Halyna Ivanova,
Pensioner

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A certain intermediate type between a “copy” letter and a “private” letter is a letter or a post card written by each addresser individually, but based on the specimen provided by the campaign organizer, which gives all substantive arguments worth presenting to separate addressees.

Participation in open meetings or election meetings

Participation in such events is a very good occasion to draw public attention and, through the mass media, to elucidate our position as to the issue being lobbied. There are two basic methods to be used during such events.

First, with a politician, who backs up the association’s position, answering questions at a public meeting can aptly state a position and tell about the possible effect of a relevant decision. This is why it is useful to ask a well-suited question to enable him/her to speak to the subject.

Second, when a politician, answering questions in public, belongs to the opposition, questions should be worded differently. They should briefly present key arguments and make him/her either debate or clarify his/her position and, in some cases, even make certain pledges.

Participation in open meetings or election meetings is a very good occasion to draw public attention and, through the mass media, to elucidate our position as to the issue being lobbied.

Example 7

Example of a question asked of a politician running for re-election, at an election meeting

A question to a candidate for a deputy of the City Council of next convocation, who is currently a member of the City Council’s Transport Committee.

Dear Sir:

I, (name), one of those businesspeople to whom applies the City Council’s decision about raising the rate of single tax for the carriers operating jitneys. This move may make me and other carriers go bankrupt and increase unemployment in the city. We have sent you letters with the arguments that this will result in: the reduced number of legal carriers, more expensive fare, drop in the number of passengers, increased number of illegal carriers, problems for people enjoying official privileges for free travel, deterioration of the situation with transportation of passengers. All this will affect budget revenues and cause social tensions.

Do you agree with the arguments presented and tell me, please, how you are going to vote on this issue at the next session of the City Council?

Writing formal petitions

The purpose of a petition is, as a rule, to convey a demand of a certain social group to a deputy or mayor as to passage or reversal of a relevant decision. This method is widely used, and one can see people collecting signatures for all kinds of petitions in public places, for example, at the entrances of supermarkets, stores, railroad terminals, metro stations, and universities.

In order to collect as many signatures for a petition as possible, it is recommended to make a fairly large number of copies and recruit a sufficient number of people as signature collectors. For instance,

To impress the lawmakers, the number of collected signatures should be relatively substantial as proof that a high percentage of people living in the given administrative area or constituency, are supportive of the demand contained in the petition.

20 persons can simultaneously collect 1,000 signatures (one person collects 50 signatures each which is not that hard). In the case of the carriers, signatures can be collected right in the jitneys by putting up the petition inside the vehicle, or at the stops.

But to impress the lawmakers, the number of collected signatures should be relatively substantial as proof that a high percentage of people living in the given administrative area or constituency, are supportive of the demand contained in the petition.

Also, a signature collection drive or conveyance of a petition to a public official, selected for this purpose, is often a newsworthy event specially arranged as a part of our campaign.

Example 8

Example of a petition for ECR campaign

*To: the 6th Session of parliamentary deputies of Ukraine
To be read aloud in the session hall*

The businesspeople of Ukraine are demanding to urgently consider and vote the draft Law of Ukraine "On Amendments to the Law of Ukraine 'On the Use of Electronic Cash Registers and Cash Books in Settlement with Consumers in the Trade, Public Catering and Services Sector'" having language proposed by parliamentary deputies and members of the Verkhovna Rada's Committee for Financial and Banking Affairs, that fully conforms to the demands of the businesspeople.

Vote today!

Social tensions are rising with every passing day and the situation may erupt any time.

Those elected by the people cannot play with the future of millions of people!

Your voting today is our choice tomorrow, and there are millions of us!

All Ukrainian Independent Labor Union, Kyiv City Organization

Small Business Association of the Odessa Economic Area

Business Association of the City of Sumy

Kurivsky Market Union of Kyiv

Small Business Association of Bila Tserkva, Kyiv Region

Cherkasy "Solidarity" Labor Union

Businesspeople Association "Vidrodzhennya"

Kirovohrad Regional Council, Ukrainian Independent Union

Vinnitsya City Union of Private Entrepreneurs "Center"

"Eleron" Market Labor Union, Kyiv

Dniprodzerzhynsk Small Business Union

Federation of Cooperators Union and Businesspeople of Ukraine

Also, business associations from these cities: Dnipropetrovsk, Kharkiv, Nikopol, Mykolayiv, Simferopol, Zaporizhya, Melitopol, Khmelnytsky, Lviv, Donetsk, and Luhansk.

These signatures have supporting documents.

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Participation in live radio programs, TV talk shows

To convey information and opinions to as large an audience as possible is very important for the strategy of some lobbying campaigns. This is not simple, though, and therefore many resort to the mass media, which is the best vehicle for distribution of information.

In enlisting public support, one should bear in mind the use of such media components as radio and television.

They increasingly broadcast and telecast live, which allows listeners and viewers to make calls to express their view of an issue that they are concerned about.

Television networks, particularly local ones, are tending to increase the number of programs addressing public and political affairs. These feature not only government officials, but also common people, in order to learn their view of subjects being discussed in society.

Lobbying campaign organizers should keep track of such programs and inform supporters about them. The latter should take part in such programs and, in their own words, convey the information the coalition thinks is necessary.

6. Working with Mass Media

An interest group and, particularly lobbyists, should give special attention to cooperation with mass media. The mass media wields considerable power. First, the voice of the media is much stronger than ours and this voice is heard at all levels, from the man on the street to parliamentary deputy. Second, the power of the media is also enhanced by the fact that they are perceived as an objective source of information.

The right use of the media in a lobbying campaign can help in enlisting public support to influence lawmakers. The wrong use of the media, however, can backfire. The best way to deal with the media is to establish permanent contact with them long before starting to enlist them in the lobbying campaign.

Bearing all this in mind, it is sensible to follow certain rules for cooperation with the mass media. The association's efficiency will depend above all upon our ability to provide them with exciting news. The media hire specialists who analyze whether particular information can be published or aired. A lobbyist's assessment is not enough to convince the media of what is newsworthy and what is not. Also, media news is of no value if it does not interest the public. Similarly, "yesterday's" news is no good either. Considering all this, the lobbyist should learn to convey information in the most attractive way when communicating with the media. Lobbyists acquire this skill after acquiring a certain number of mutual contacts. Cooperation with the media is a hard job, but shirking it can have dire consequences.

Before starting cooperation with the mass media, it is advisable to study the following questions and prepare answers to them:

1. What is the aim of the association? (aim)
2. Who are they trying to convince to attain this aim? (addressee)
3. What should be conveyed to those people whose support they are seeking? (subject)
4. What is the best method of conveyance (within available means)? (format)

The best way to deal with the media is to establish permanent contact with them long before starting to enlist them in the lobbying campaign.

Of course, answers to these questions are closely interlinked depending upon the desired aim (for example, amendment of a tax law or reversal of a municipal ordinance about the time of operation of stores):

1. Targeted persons come from different fields (the President, the CMU and the Verkhovna Rada, city council deputies);
2. The content of the information will be different (draft amendments to tax rates or proposals to change business hours of stores); and
3. The format of information presentation and the tools will be different (TV, national newspapers, stacks of budget analytic reports, or a local paper or radio station).

When the goal of these efforts, the targets of demands, and the types of information to be provided have been identified (this has been discussed in other parts here), we should concentrate on the following three issues:

1. Which particular media should be used to make this information the most effective?
2. How should contact with the media be established?
3. What is the best form for presenting the information to the media?

First, it is necessary to identify all media that are in the city that deal with or specialize in the subjects related to the lobbying campaign. A list of all dailies, weeklies, news agencies, local, regional and national radio and TV stations should be made. Also, one should not forget the media operating on the Internet.

For a certain period of time (if it is not done regularly), it is necessary to monitor the media selected by us to determine which of the journalists working there could take interest in our problem.

Mass media staffs are different. For instance, local newspapers or TV and radio stations have small staffs. This is why their journalists are normally responsible for many areas. On the one hand, they are more accessible because the number of events in a region is not so big. But on the other hand, since they do not specialize in one particular area, their attention and time are more “dispersed”. Therefore establishing permanent contact with them may take more time than just introducing them to the details of the subject.

Journalists working with national media, specialize in individual areas and therefore quickly take in important and interesting news. At the same time, they are less responsive to local news and narrow departmental events. Also, information directly competes here with similar information from other parts of the country and therefore may not be aired. This is the reason why the format presenting information to the media is so important.

The association must collect as much information as possible about the journalist it plans to work with (names, addresses of their offices, phone and fax numbers, e-mail, subjects they specialize in, assumed names). These points should be monitored as certain details may change.

Vital to relating to the media is knowing the daily deadline for publication or broadcasting. Many organizations, which meet with journalists, unfortunately forget about this. For this reason, they get upset when their efforts to prepare a news event turn out to be futile because the timing was unsuitable for the media. This applies specifically to the electronic media. Also, TV and radio do not care for yesterday’s stories. This means that if the story is not aired on the day it takes place, it will not be aired at all.

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Due to these circumstances, most media people should be invited to attend news events scheduled to be held before noon, between 10 and 12 a.m. It is also advisable to check whether any other routine events, which are constantly newsworthy, take place at this time (for instance: a meeting of the government or of a regional council, a press conference in the city hall, etc.)

Contacts with the mass media can have different forms, for example:

- Press release;
- Press conference;
- Interview with separate journalists;
- Non-formal meeting with particular journalists;
- Participation in discussion in the press, TV or radio program; and
- Invitation of journalists to cover an event etc.

These will be discussed below.

Press release

This method can be used when public opinion needs to be stirred up, so as to produce a response to an event, is important for the campaign. It should contain answers to the following 5 questions:

- Who? (the hero of the event);
- What? (description of the event);
- Where? (where the event occurred);
- When? (when the event occurred);
- Why? (the attitude to the event as presented in the press release).

A press release, as a method of conveying a position, is used in two ways:

- It is either sent to news agencies and particular media offices in writing, without immediate contact with journalists;
- Or is distributed during a press conference or in an interview with each journalist in person.

Since the organization loses control of the press release from the moment of its dispatch (fax or e-mail), its format is of great importance. Normally, the text should take up one page with the theme (title) being clearly indicated. It should carry information about what event caused the appearance of this press release as well as the attitude and proposals of the organization.

A press release should be clearly signed and indicate addresses and telephones, to make it possible to immediately get in touch with the organizers of the event for verification.

A press release, which is distributed to journalists at a press conference, has a somewhat different function. This material presents the view of the organizer of the event and is a kind of summary of what has been declared. Here the method of presentation is not so concise. It may take up 2–3 pages, especially when they describe the results of the study conducted to support the presented view.

The purpose of the text, which is usually distributed before the start of a press conference, is to facilitate the work of the journalists listening to the organizers' presentations. Information presented orally is sometimes taken rather chaotically and therefore it should be a brief version of and supplement to the text of the press release. Journalists may wish to cite the source of information and this document will help them. The purpose of this material is also to increase the likelihood of correct reporting by journalists of the organizers' views.

Press release can be used when public opinion needs to be stirred up, so as to produce a response to an event, is important for the campaign.

PRESS RELEASE

Kyiv, December 20, 2000

Press conference organizers:

The All Ukrainian Businesspeople Association "Unity", the All Ukrainian Association "Ukrainian Market", the Coordinating and Expert Center of Business Associations of Ukraine, and small business associations from Dniprodzerzhinsk, Berdychiv, Sumy, Cherkasy, Vinnytsya, Kirovohrad, Kyiv.

Invited to the press conference are:

Ukrainian parliamentary deputies, Chairperson of the State Committee for Regulatory Policy and Entrepreneurship.

Small-sized businesspeople have on many occasions demonstrated their ability to protect their rights in an organized way. The most graphic example of this is the situation that has developed with respect to the Law of Ukraine "On the Use of Electronic Cash Registers and Cash Books in Settlement with Consumers in the Trade, Public Catering and Services Sector". Passed on June 1, 2000 after revision, the Law is an encroachment on the positive effect of simplified fiscal practice. Following mass organized protests of businesspeople in all regions of Ukraine relevant amendments were made to the Law, which would now be put into effect on January 1, 2001.

Over this period, the business organizations, in conjunction with government agencies, have taken steps to process proposals as to amending the Law. The agreed upon proposals were regularly submitted to the appropriate Committee of the Verkhovna Rada. The fruitful cooperation of parliamentary deputies and businesspeople has resulted in the draft Law "On Amendments to the Law of Ukraine 'On the Use of Electronic Cash Registers and Cash Books in Settlement with Consumers in the Trade, Public Catering and Services Sector'", which on December 19, 2000 was considered in the session hall of Parliament.

Such a massive effort could only produce results. During the discussion, deputies, representing various factions, told about their meetings with their businesspeople constituents, conveyed their voters' requests to make the right decision and spoke for this draft law. The discussion showed that there no force in Parliament regards these amendments as unnecessary and that is opposed to this draft Law.

The deputies plan to vote on December 21, 2000 for the draft law "On Amendments to the Law of Ukraine 'On the Use of Electronic Cash Registers and Cash Books in Settlement with Consumers in the Trade, Public Catering and Services Sector'".

The businesspeople of Ukraine is a force which is capable today of influencing the economic situation in Ukraine. They on many occasions have demonstrated their ability to assert their rights in an organized way.

The businesspeople associations plan to demonstrate on December 21 when the draft Law is voted on. This is done to exert our rights in a civilized manner and not to start work at our workplaces until the voting on the draft Law is completed.

For further information you may call tel. No.: _____

Press conference

Many business organizations believe that the most attractive method of contact with the media is a press conference. In many cases this is true. But it should be borne in mind that to organize an efficient press conference is a serious challenge, which takes professional preparation. The preparation concerns both the organization of a press conference proper and the content and form of the information.

Organization of a press conference begins with sending out invitations. Invitations should be issued in advance: as a rule, 5–7 days before the event planned. It is sensible to send to two addresses:

- Editor in chief at the office address; and
- Journalist (preferably, the one you already know) who specializes in the theme being the subject of the campaign.

Due to this, the risk of loss by accident or on purpose will be minimized.

In order to excite interest in the event and make it look more attractive than some other, an invitation should be brief, clearly worded and catch the eye. For example, an aptly formulated theme could be a newsbreak that is readily listened to or viewed by the public.

The press conference should be held in a suitable room, i.e. spacious enough to accommodate all those present, but not too large, so that TV, for instance, would not show many vacant seats.

The reporters should be able to comfortably take notes. Also, one should not forget about the conference equipment and press conference conductors that are in the room. There should be easy access to telephones and fax machines as a way of saving time in transmitting the information to their offices, a very important factor to reporters.

The motto of the lobbying campaign should be displayed prominently in the room.

All reporters attending the press conference should be registered by identifying themselves, the media they represent (newspaper, TV, radio, or internet) and by signing their names.

Hardcopy materials, including a press release copy, are handed to reporters during registration. These materials, except the press release, should bear the campaign's motto and provide brief information about the organizer, the coalition and its member organizations, as well as the names and positions of presenters.

All contact addresses should be provided as well.

To achieve the desired results, the organizers should follow certain rules of conduct.

First, it is necessary to be punctual. Reporters are busy people and they are always pressed for time. Delays in the start of a press conference through the organizers' fault are taken very badly. Second, there should be as few people sitting at the table during a press conference as possible: the conductor and a couple of experts. Otherwise, the reporters' attention will be distracted and the idea of the conference may be lost.

Organization of an efficient press conference is a serious challenge, which takes professional preparation.

INVITATION TO A PRESS CONFERENCE

Dear Mr. Editor:

On behalf of the Businesspeople Coalition “Develop Our City”, we invite you to a press conference addressing the theme:

NEW TAXES FOR CARRIERS RUIN TRANSPORT IN THE CITY!

The press conference will be held on the premises of the Transport Workers Association on April 5, at 10:00 a.m., on 4 Druzhba St. Registration of participants starts at 9:30 a.m.

At the press conference, the Coalition will present its position as to the change of profit tax rates planned by the City Council, that are paid by public transport companies in the city. According to the research and economic study conducted by the Coalition, the planned raise of taxes will have a negative effect on the standard of public transport services and reduce city tax revenues.

Mr. Mykhailo Horny, coalition coordinator and chair of the Transport Workers Association, will conduct the press conference and present the Coalition's position. The results of the study will be presented by Mr. Hennady Yashchuk, the expert of the Association. Press conference materials will be distributed during registration. The press conference is planned to last 30 minutes.

For further information about the press conference, contact Olena Marchenko, tel. No. _____

Sincerely,

*Mykhailo Horny,
Coordinator of the Coalition*

The Businesspeople Coalition “Develop Our City” was set up with the participation of 5 organizations that unite transport companies of the city. These organizations are as follows: 1...2...3...4...5... (Give full name of organizations).

The Coalition's mission is the development of an environment conducive to the improvement of services for the population as delivered by the private and public sector and the city's administration. One of the important ways to accomplish it is by changing local regulation for the purpose of business promotion and better services for the population.

This is particularly important for the organizers of lobbying campaigns with well-known business associations and other organizations. Each of them cares about their image with the media and therefore they, more often than not, can't imagine that such an important event as a press conference may be held with them addressing it. As a result, there can be a situation where a long row of leaders are facing reporters, each being eager to add or explain something and get the attention of reporters.

This conduct may result in failure because:

- The main idea and main information that was to be conveyed to reporters, was not properly highlighted or was just poorly presented.
- The information is inconsistent because all leaders give prominence to different things in their statements.

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- The conference lasts longer than the reporters expected because the “VIP’s” have been too talkative.
- After the conference, TV journalists pick out for an interview a “leader” whose statements may arouse mixed feelings among listeners and viewers, but not the most competent person.
- In covering the press conference, different reporters will arbitrarily select different topics that were touched upon by the “leaders”, as a result, when one reads reports about a press conference, the impression is that there were several different press conferences.

The most important thing, though, is to have a valid reason for organizing a press conference. The mass media want a newsbreak, which draws the public’s attention and is socially significant. So, it should be borne in mind that a press conference that does not address an event interesting for the public and the media, can be counterproductive, i.e. antagonize the media or become an object of ridicule.

Information should be clear and preferably concise. At a press conference, one or, at best, two reports on the subject should be given. Discussion on each of them should not exceed 5–10 minutes (the shorter, the better). Speeches should be made without notes. Right in the beginning, the main subject should be emphasized with everyone speaking to the point. Presenters should try to use plain language and to avoid professional jargon.

Journalists attending press conferences seldom are experts in issues under discussion. Also, very often they are reporters with little experience, who run from one event to another. Therefore, they may be impatient or tired and tend not to concentrate on complex discourses. This is why it is sensible to make your speech vivid and intersperse it with witticisms, within reasonable limits.

Time for questions and answers should be set aside until after the address. It often happens, however, that reporters do not want to ask questions at that point. It is not a sign of their indifference or an unsuccessful conference (although this should not be ruled out either): some of them may want to ask questions of a conference participant in private. They should be provided with this opportunity right after the end of the official part of the conference or at some other convenient time. If TV or radio reporters are invited, make arrangements on the same day before the conference for an additional individual interview, during which the most important organizer can describe very briefly (each second counts) the central idea or problem being brought up. This should be taken care of before hand and one has to get ready accordingly.

Individual interviews

An interview is a very popular and convenient way to communicate information to the public. Interviews, just as other types of communication with journalists, can be divided into “reactive” and “proactive”.

Reactive interviews occur when an event, beyond control, has taken place in the course of the campaign. As a result journalists come to ask about comments or evaluations of the event. One never knows when to expect a phone call from a reporter. Those business organizations that want their influence on the formation of public opinion to be recognized, should always be prepared. Major developments in the economy must be constantly monitored. Experts have to be ready to provide a competent answer to help those who, on behalf of the organization, are giving an interview.

As a rule, this is not a direct component of a lobbying campaign. But successful and effective campaigns are not run by anonymous persons, but are run by institutions and organizations known in the business community. These then should be in constant readiness to give a competent answer to the mass media. Being aware of this, the media, when seeking an evaluation from the business community, turn to the organization thereby bypassing others who could come up with an opposite view.

Proactive interviews can be regarded as an important component of a lobbying campaign. However, in order to attain the goal, you have to know which of the journalists can be contacted.

There are several conditions for making a meeting with a reporter effective and conveying the idea to the public preferably in its original form:

- A newspaper, radio station or a TV channel should influence the formation of public opinion, and the journalist should be known;
- A journalist should trust the organization and be sure of the reliability of the information provided; and
- The subject the journalist will cover should be socially significant and have some novelty.

It should be remembered that even a journalist who is supportive of the coalition and its position, will not always reflect in his material what the organization is counting on. So, it is worth asking for authorization of the text. It is acceptable and so they should not be afraid of being accused that in this manner we show our distrust of the journalist.

A journalist can be an important source of information to the group. This information should be used because journalists, as a rule, have access to decision-makers and opponents. In this way, he/she can (knowingly or otherwise) give, during a conversation, further useful information.

One should maintain friendly relationships with journalists. It is sensible to invite them, among other people, to parties, gatherings, festivities etc. It will be noted that journalists make a living by gathering information and therefore you should always remember that whatever is said in his/her presence, even if it is not an interview, may get into a story.

The media are interested to know how an addressed issue affects the life of a particular person. Journalists eagerly use examples and experiences of individuals. Of interest to the media is also how closely the current political and economic developments are interrelated in the problem being addressed.

In a word, the mass media are very effective agents in conveying the message of the organization to the largest audience possible and apply pressure on individual decision-makers. The mass media are not only TV, radio and the national press, but also popular women's and men's magazines, local papers, and specialist publications. They become particularly useful in running a long campaign.

Informal meetings with journalists

Relations with journalists should be constant and informal. In the process of socializing, limited information should be furnished. Journalists quote those that they know since they understand the problem and are available for comment. In other words, thorny questions can be provoked for potential opponents via journalists. In this case, the questions and answers will sound natural and independent of the campaign, and this will reinforce the organization's position.

Mass media is always interested how closely the current political and economic developments are interrelated in the problem being addressed.

7. Communicating with Decision-makers

In order to achieve the main goal of lobbying, i.e. secure the passage of the draft law, it is necessary to convey the association's viewpoint or expert findings to the relevant decision-makers.

But before presenting a case, they need to clarify who could help and with whom they should meet. Contrary to the prevailing belief, an immediate decision maker is not the person the association should establish contact with first. There are other people who can help convince decision-makers of the justness of the case.

Below are a few rules that can help an organization establish contact with a politician or a decision-maker:

1. The timing of the presentation of the viewpoint to a politician should take into consideration political developments. One should remember about elections: to approach a politician on the eve of elections is the easiest way to get him or her to listen to the voice of a potential representative of the electorate.
2. All bias and ideas concerning this politician should be cast away. If one looks for a person to help, this person's political affiliation is not the most important thing. A politician can help a cause irrespective of his/her belonging to the political majority or the opposition. What matters is to find a person who, for some reason, regards the problem being raised as important and interesting. This does not mean that their worldview has to be identical with the organization's. But it is sensible to make sure that this politician is someone who believes this viewpoint is important. The wrong politician may only harm the situation.
3. To prevent that, it is necessary to gather background information about the politician: on which commission is s/he, what subjects has s/he dealt with in the past, what was this person's viewpoint, what was the experience with other interest groups?
4. It should also be discussed what information will be of use to the politician and how his or her support of the coalition may benefit this decision-maker.

At the preparatory stage, the organization should also identify what actions it expects of the decision maker. It can be, for instance:

- Public support of the viewpoint, for example, through the media;
- Presentation, at the commission's session, of draft amendments to or cancellation of effective regulation, as prepared by experts;
- Persuasion of other politicians to support the organization;
- Mediation in a meeting with a top government official;
- Submission of interpellation;
- Participation in a press conference organized by the organization; and
- Voting according to the organization's position.

Private meetings with decision-makers

Meeting with a decision maker in private is often the most effective way of communication.

An appointment can be made with a politician on directly or through an intermediary. This person can be an assistant, aide, officer or a colleague politician. Naturally, the media could also help here, because they form both an image and indirectly influence on the politician's attitude to the organization and the cause. If an organization or an issue for lobbying has been presented by the media, a politician will be more willing to meet and cooperate.

In order to achieve the main goal of lobbying, i.e. secure the passage of the draft law, it is necessary to convey the association's viewpoint or expert findings to the relevant decision-makers.

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Setting up a meeting should be done in advance (even two weeks), and a short note should be sent to the politician, listing the key points to discuss.

A lobbyist should develop for himself or herself a plan for the meeting. Normally, the politician cannot spend much time with the lobbyist and therefore, in order to use it fruitfully, the lobbyist should strictly follow this plan.

A private meeting contributes to a decision maker getting a better idea of a problem.

A lobbyist has to be well prepared for a meeting, so as to present the case convincingly and to be in a position to answer all questions. It is necessary to keep track of time and not drag the meeting on without need. It is important that the meeting be useful to both parties. At the same time, one should realize that a lobbyist is not a petitioner before a politician even though s/he asked for this meeting and requests that the politician start certain actions. The lobbyist should specify how the politician will benefit from the lobbying campaign: image, public support, strengthened personal position due to professionally prepared argumentation, etc. The lobbyist should be on equal terms with the politician, as a professional (in lobbying) with another professional (in politics).

At the start of the meeting, it is advisable to thank the politician for his or her time. Thanks can also be tendered for some socially significant actions in the past. The purpose of the visit should then be named. The politician should be told what moves are expected from him or her; in doing so, reference can be made to the materials sent earlier.

Specifying the purpose right in the beginning will help stick to the plan of the meeting because politicians sometimes tend to depart from topics that are important to organizations that prove to be too unsuitable or complex for them.

During the meeting, it is important to speak about the impact of a decision or a draft law on the life of the constituents the politician represents. It is advisable to support arguments with statistics, as well as show the extent of support the cause is receiving from different sections of the population and local influential people.

If the politician is inclined to accept the arguments and viewpoints, s/he should be asked to confirm that by performing certain deeds. If the situation is opposite: the politician is skeptical, s/he should be asked to thoroughly study the arguments of all sides involved and try to maintain neutrality. The lobbyist should also ask whether the politician needs further information containing more arguments that might help him or her change the attitude.

Here are some useful tips regarding such meetings:

- Sound positive – do not focus only on the negative aspects of the problem; speak of ways of its solution;
- Do not be constrained, maintain a friendly tone;
- Speak confidently and remember that you know more about this problem than the decision maker;
- Do not speak long – keep to the point, refer to specific facts; and
- When talking, look the decision maker in the eyes.

A private meeting doubtless contributes to a decision maker getting a better idea of a problem. But it would be wrong to assume that after the meeting all relationships with this person end. No matter what the impressions are, the first meeting can and must be the beginning of permanent contacts with this politician. Even if the meeting was

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discouraging, nonetheless the organization has gained a new contact and now knows better how to run the campaign. But if the reaction of the decision maker was positive, s/he should be regularly informed about the progress of the lobbying campaign.

Right after the meeting:

- It is advisable to write a letter to thank the politician for the time and list the main salient points of the meeting;
- It is sensible to reminder her about accords reached during the meeting; and
- It is worth giving further information if this was stated at the meeting.

It is advisable to put the decision maker on the list of contact persons and attach a short note about the topic discussed at the meeting – for further reference.

It is worth meeting on a regular basis with allies and to give them updated information that they could use for the benefit of the campaign and for themselves.

Private letter to a decision maker

A private letter to target decision-makers is one of the most popular methods of communicating a viewpoint used in lobbying campaigns. This method is somewhat less effective than a private meeting. Written information's advantage over a private meeting lies in that it is capable of reaching many politicians at one and the same time. What's more, due to constant pressure of time, politicians are more inclined to read a letter than set up a meeting. Written material also gives one an opportunity to think through arguments, which is not always possible during a meeting. A month or even a week later, an overworked politician or official will forget the content of a discussion. A written document will help her recall the situation and the arguments. Presented in writing, specific information is bound to reach additional recipients through copying or forwarding.

A letter should be signed not by a lobbyist, but by the most important leader of the coalition's member organization. Even though, as a rule, the lobbyist is its author. A letter from a noted businessperson or a representative of a business association to parliamentarians is always registered, and the addressee usually reads it. Regardless of the prevailing belief, letters that testify to public concern about a specific affair, are treated with attention and exert certain influence.

A letter should not be more than two pages long. It should begin with a summary of the problem and the writer's attitude. Then comes a short account of the case and explanation of why the addressee should back up the organization's position. The letter should not go into detail in describing the problem, but should make reference to the expert findings and other sources verifying the revised viewpoint. At the next stage of the campaign, there will be time to present evidence. The first letter should just arouse interest in the problem whose solution is to be secured in the course of the campaign.

If there is an opportunity to provide a more detailed document to a decision maker, its contents (for example, in the case of revocation or amendment of an effective law) will be as follows:

- Short account of the problem;
- Brief conclusions and our recommendations;

Written material also gives one an opportunity to think through arguments, which is not always possible during a meeting.

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- Presentation of material facts and current policies regarding the problem;
- Reasons for the inadequacy of these policies; and
- Justification.

In this document, the most important and strongest arguments should come first. But then the law of brevity and transparency of reasoning will apply which points to the writers' professionalism.

Example 11

A Letter to a decision maker

Dear Deputy _____:

The Law of Ukraine "On Amendments to the Law of Ukraine 'On the Use of Electronic Cash Registers and Cash Books in Settlement with Consumers in the Trade, Public Catering and Services Sector'" passed by the Verkhovna Rada Of Ukraine, sets forth several provisions that, to our mind, have a negative effect on the operation of small-sized business, and that need to be removed as soon as possible.

According to the Concluding Provisions, this Law is to take effect within a month after being passed. The government agencies will be able to reconcile the regulatory acts with this Law only within four months (according to the self same Concluding Provisions), which will lead to a legal vacuum in the area coming under the effect of this Law.

Passage of amendments that will postpone this Law coming into force, will allow development of the legislative base for application of this Law's rules and mechanisms for its implementation. This will ease social tension caused by the passage of this Law. Considering the fact that the Law will become effective when Parliament is on vacation, this may have serious implications.

It should also be noted that the Law did not take into account the interests of business entities using simplified fiscal, accounting and reporting procedures (payers of fixed tax, single tax, special trade patent), to whom the Law did not apply before the passage of these amendments. This matters to over one million people, to whom the introduction of the rules will make the conduct of business harder; this will also prevent small-sized business environment development. Tax revenues from this category of businesspeople will not only fail to increase (as they pay fixed tax amounts), but will decline due to their refusal to conduct legal business because of the deterioration of the situation in this sphere.

In view of the above, you are requested to support the amendments to Art. 9 of this Law which would allow businesspeople using simplified fiscal procedures, not to use ECR's and cash books.

(Name, surname, position)

Preparation of a speech to be given at a meeting of parliamentary committee, working group, commission etc.

One of the most important components of a lobbying campaign for making amendments to current legislation is an opportunity to directly present a revised position to a collective decision maker. A successful presentation requires diligent preparation.

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First, the presenter should actively look for an opportunity to present a position. This takes knowledge of the law-making process and daily contact with its participants. Frequently, an opportunity to make a presentation in the Verkhovna Rada's committee is something that has to be taken care of in advance.

When preparing a presentation, all available analytical materials, expert findings, etc. on the subject must be read. Incorporated in the text of the presentation should be arguments based on estimates and facts, but put in plain language, so as to be understood by non-experts. Specific calculations can be attached to the text. This is worth doing because politicians, as a rule, rarely have time to conduct their own examination and have to rely upon external data if they find them reliable.

The written text should be distributed to committee members beforehand. This is sensible to do through the relevant body's dispatch service or an individual mailbox. Extra copies of this material should be available in the session room, so as to enable other participants to read about the views being expressed.

It is very important to familiarize oneself with the written description of the opponents' position, if possible. The best time for this is during the preparation of a presentation. This will allow the speaker, knowing the opponents' arguments, to develop appropriate written or oral counter-arguments. It is worth maintaining friendly relationships with staff of the committee's secretariat and have supporters among committee members because they manage all key information. Opponents also may have an opportunity to speak at the committee's meeting. By knowing their arguments in advance, the speaker can counter them and strengthen their own position.

Oral presentation of a position should also be prepared on the basis of a list of major points and the development of counter-arguments.

Although the presentation is prepared by a lobbyist, s/he has to consult authorized persons in order to proof the text.

Here are some suggestions, which can improve a presentation:

1. In the beginning, the speaker must not forget to introduce him- or herself, introduce the organization or coalition on behalf of which s/he is acting, and thank the committee for the opportunity to present this position on such an important matter.
2. It is better to speak, not read, if appropriate. One should speak expressively and loudly enough for everyone to be able to hear.
3. Time should not be wasted. The speaker should begin with why the draft is bad (or good), what financial effect is expected, what impact it will have on the economic and social position of the country. S/he should also mention the possible solutions, justifying them using expert findings or survey results.
4. S/he should keep in mind the essence of what has been said by other speakers and not repeat arguments that have already been stated.
5. S/he should not be aggressive in presenting arguments and examples.
6. S/he should not overrun the time allotted for the presentation.
7. In conclusion, s/he should once again state the central idea of your presentation.
8. Finally, s/he should be ready for extra questions.

It is advisable to stay in the room until the end of debates (or voting) on your issue.

One of the most important components of a lobbying campaign for making amendments to current legislation is an opportunity to directly present a revised position to a collective decision maker. A successful presentation requires diligent preparation.

8. Each Campaign is Groundwork for the Next

Effective lobbying is based on cooperation and tradeoffs, not on confrontation alone.

Effective lobbying is based on cooperation and tradeoffs, not on confrontation alone. This is why it is not sensible to put opponents, particularly politicians, in an awkward position by pointing to their ignorance and possible bad intentions. It is worth trying to find common ground, common interest and develop a climate of common concern for a common cause. One should not be afraid to come up with critical remarks, but discussion should be an exchange of views, not of insults.

One of the principal rules of a lobbyist's policies is "never burn bridges behind you". In other words, one needs to act so that, during the next lobbying campaign, current opponents could be future allies.

When the campaign is over and the lobbyist has used up all possibilities to influence its outcome, s/he has yet to carry out certain concluding activities. They will allow the lobbyist's customers (business associations) to "consume" its results and, at the same time, to prepare a good start for prospective lobbying campaigns.

This last phase of the process includes several actions the lobbyist must do irrespective of the outcome of this past campaign, as well as other moves that have to be made in the event of victory. This is also an important point for analysis of all experience and conclusions.

First, members of the organization and coalition should be informed about the outcome of the campaign. Regardless of the results, the people need this information and a summary of joint efforts. Special thanks should go to the deputies, officials and all supporters for their backing. If efforts have been successful, gratitude can be expressed during an open meeting, and not only in a special letter. These can be asked to address a forum of the organization or all coalition members and invite them to a reception. Also, it is natural to write about their efforts and thank them in any organizational publication. Even if the initiative ended in failure, these people should be thanked. In addition to regular politeness, this is also a gesture toward possible future cooperation.

One of the principal rules of a lobbyist's policies is "never burn bridges behind you". In other words, one needs to act so that, during the next lobbying campaign, current opponents could be future allies.

Example 12a

Acknowledgement of participation in a failed campaign

Dear Mr. Deputy:

On behalf of the Coalition "Taxes Conducive to Investment", I want to thank you for your active support of our coalition throughout the campaign to amend the law on tax procedures.

In spite of the fact that our efforts have not yet secured the passage of this pro-businessperson law there are still reasons to hope that our arguments will be heard during the next tax year by most deputies and government officials.

Due to our campaign, the public was informed about the threat that supporting the current system may pose. In the next few months, we are going to take action so that its most important representatives would voice their support of our position, which will considerably improve the possibility of success next year.

Your position and efforts were highly appreciated by the business community that, in turn, is prepared to back up your work toward improving the position of other firms and the economic situation in Ukraine. Looking forward to continued cooperation in the future.

Sincerely,

(...)

Coordinator of the Coalition

Example 12b

Acknowledgement of participation in a successful campaign

Dear Mr. President:

On behalf of the Coordinating Group and all “Right for People” Coalition members, I want to thank you and members of your organization for your active participation in the activity of our Coalition and congratulate you on our mutual success.

The Cabinet of Ministers of Ukraine, which greatly facilitates the procedure for registering businesses, agreed with our Coalition’s aim and ratified the law.

Your organization, along with other Coalition members, has done a great job, in terms of management and finance. Because of this we can celebrate our success that we all worked so hard for. I want to note that it would have been much harder to achieve, or not achieve at all, had it not been for the concerted effort of all Coalition members that provided their resources to the Coalition.

Our success is beneficial not only to our members, but to all businesspeople in Ukraine.

I do hope that our fruitful work can continue in the future in addressing other economic problems in Ukraine.

Sincerely,

(...)

Coordinator of the Coalition

Besides, it is necessary to prepare a short report for the management of the organization or coalition and file it with other documents. Since lobbying is a collective effort by its nature, a short description of the critical phases and partial successes and failures in the course of the campaign would be of use to all participants. This should lead to developing a list of activities that are worth conducting in the future.

A lobbyist should indicate in a separate document how individual decision-makers voted, which of them strongly backed up the position and which were strongly against it. S/he should also describe relationships within the coalition, (with other organizations or people) which will make it possible to evaluate the degree of support they gave and participation in joint efforts. Such documentation should be constantly updated. This will help avoid disillusion in the future, and possible failures as well, since the strength and influence of a lobbyist depends upon the strength and support of other organizations, deputies, officials, scientists, noted personalities and leaders. The list of contacts and their description is one of the most valuable things a lobbyist has – it is the main tool of their work.

In a final analysis, the success of a lobbying campaign should be triumphed by staging a public event that will help the lobbyist or the organization to recruit new members, supporters or clients. In addition, this will strengthen their position in the competitive environment of politics and business.

The success of a lobbying campaign should be triumphed by staging a public event that will help the lobbyist or the organization to recruit new members, supporters or clients.

CONCLUSION

Globalization has lead to a situation that has caused international competition to intensify over the past several years. In spite of certain challenges, both public and private sectors are becoming more aware of the changing situation. The method of doing business in which organizations defend their interests alone by relying on their environment or on personal connections with policy makers is dying out slowly but steadily. This is particularly true for businesses of the SME sector. Their connections are typically not influential enough to have a considerable impact on the legislative process or on the government's economic policy. At the same time, businesses cannot keep pace with all the changes in the legislative framework or comply with increasingly complicated requirements over whose implementation they have no control.

In order to improve the situation, entrepreneurs have begun organizing associations whose purpose is to defend their positions and interests. Many associations of this kind have sprung into existence in recent years. It has become obvious that these associations face an important obstacle: lack of the knowledge and skills needed to distinguish themselves from competitors in a market where the product is to provide a service that is, in essence, to advocate the interests of its members before governmental authorities.

To operate effectively, associations must master at least two new skills: cooperation with decision-makers in order to get their support and networking on a parity basis with other organizations, including those with which they compete in other areas.

This manual is concentrated on these two topics. The objective of the authors was to cause readers to consider collective efforts and to help them achieve maximum professionalism through the knowledge and skills presented herein.

However, this may not be sufficient to complete an effective lobbying campaign. It is important to change the attitudes toward lobbyists that are held by representatives of the government, politicians, and the general public. Lobbyists should not be perceived as people working on the verge of legitimacy, rather they should be viewed as fully-fledged participants of the democratic law- and policy-making processes in which all participants take equally important parts. In order to foster a positive image of lobbyists, transparency must be brought into both the law making and political decision-making processes, so that the procedures and criteria of these functions are accessible and comprehensible for all.

These positive changes in attitude toward lobbyists and in their work will occur under the pressure of ever growing international competition. Cooperation among international organizations requires member-states to behave according to new standards of conduct and to nurture technological developments which allow real and notable participation of citizens in the policy-making process.

We hope that readers of this manual will in the near future contribute their own lobbying practices to the wealth of methods that continue to achieve positive changes in Ukrainian legislation.

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(Directory as of September 1st, 2001)

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NOTES

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